

German-Russian Split Draws Nearer

By COL. GEORGE DREW
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EDITORS, politicians, broadcasters and public speakers generally who desire to preserve a reputation for consistency—if anybody bothers about consistency in these rapidly changing days—should be a little careful about the language which they employ concerning M. Stalin and M. Molotov. It still appears possible to us that these eminent Russians may sooner or later be found, if not exactly among our Allies, at least among our fellow-signers of non-aggression pacts. Great Britain and Turkey between them are in a position to exercise a good deal of pressure upon Russia and may not hesitate to do so if it seems likely to produce useful results. Russia has now got most of the advantages which she stood to gain from a friendly relationship with Germany, and the time is approaching, as Col. Drew points out in an article on the next page, when the move which seems indicated as likely to be Germany's next one, the move against the Danube, will bring to light, if it is made, the fundamental impossibility of any long-term collaboration between Russia and Germany.

The truth is that nobody really wants to be an ally of Germany, for the simple reason that to be associated with Germany in a real victory merely means that Germany becomes by that much more dangerous to the nation which has accepted her alliance, while to be associated with Germany in defeat means having to pay a large part of the price of Germany's misbehavior. For, as the last war, or rather the last peace, showed, Germany cannot be seriously penalized in the matter of territory, whilst almost any other country in Europe which makes war along with her can be cut to pieces by the peace settlement. Russia and Germany are no doubt equally gangster nations, but police experience has long shown that the best way to deal with a really dangerous gangster is to get a slightly less dangerous gangster to co-operate with you. M. Stalin may yet turn King's evidence against Herr Hitler, in which case, while we may not find him any more lovable than we do now, we shall have to regard him as considerably more useful. He is not perhaps the ideal ally for a war for the defence of liberty, but the nations which ought to be defending liberty seem very difficult to stir up to a sense of their duty.

Temporary Silence

A GREAT hush seems to have descended upon Queen's Park. For days we have heard nothing from Mr. Hepburn concerning Mr. King, and nothing from Mr. King's friends (we never did hear anything from Mr. King) concerning Mr. Hepburn. This is pleasant, but we do not think it will last long. We think Mr. Hepburn is awaiting the opportune moment to explain that he, and no other, is really responsible for the magnitude and magnificence of Mr. King's victory. The story will be that Mr. King was slumping on the war effort until Mr. Hepburn went to work and prodded him up; that he immediately got into tremendous activity, and that the overwhelming vote of confidence of March 26 was the natural consequence. This will appear so eminently plausible to all the King Liberals—or they will care so little whether it is plausible or not owing to their anxiety to get back into good relations with Mr. Hepburn—that there will be a general handshaking all round and possibly a banquet to celebrate the restoration of harmony.

There is, however, another alternative. Mr. Hepburn may figure that Mr. King, with so huge a majority and no possible threat from the Conservative Opposition for goodness knows how long, may have difficulty in preserving discipline in his own party, and may eventually find himself the object of a "palace revolution" conducted by some of the Liberals whom Mr. King will not have seen fit to honor with office and responsibility, and who will therefore argue that the Sage of Kingsmere has been holding on too long and that somebody younger and more active should be given a chance. If such a revolting group should be hard up for a brilliant and conspicuous personage to lead them, Mr. Hepburn would obviously be just the man. But such a revolt is hardly likely to develop within the first year or two of the new Parliament, and we doubt if Mr. Hepburn has the patience for a three-year wait.

He might, of course, offer himself as a leader to the Conservatives; indeed the interesting thing about

Mr. Hepburn is that at any given time he might do anything. But it is hardly likely that they would accept him. He would naturally expect the same docility among his Conservative followers as he has found among his Liberal ones, and there are several gentlemen in high positions in the federal Conservative party who would find it hard to obliterate themselves as completely as Mr. Hepburn's Liberal ministers have been accustomed to doing.

On the whole, we think the federal Liberal party would be well advised to have a fatted calf ready.

The Luck of the Game

WE FEEL almost as grieved over the disappearance of Miss Agnes Macphail from the House of Commons as we did some years ago over the disappearance of Mr. Bourassa from the same place, and for much the same reasons. We have violently disagreed with almost all of the opinions which Miss Macphail has uttered, as we did also with almost all of those of Mr. Bourassa. But we have felt also that, for all their wrong opinions, they were a very valuable force in the political life of this country. We sincerely hope that Mr. King will be able to find some occupation, of dignity and importance, in the public service which Miss Macphail could fill, and which will enable her to continue to give the people of Canada the benefit of her great human sympathy, her shrewd wit, and her unquestionable devotion to the cause of the poorer agriculturist.

Divorce Puzzles

WHILE it may seem odd to those who are acquainted with the very uncompromising attitude of the people of Ontario in respect to sexual morals, it is nevertheless true that Attorney General Conant is proposing, in certain special circumstances, to institute a reward for the commission of adultery. In future it will be necessary for married persons whose spouses are seeking a divorce, and who are willing (as a great many persons in such circumstances are willing, for very obvious reasons) that

the divorce should be granted, to commit actual adultery and provide indefeasible proof of it, instead of going through the more formal procedure of merely registering at a hotel with a person of the opposite sex.

This is all a part of the design of the law enforcement authorities of Ontario to prevent the granting of any divorce unless one of the parties is unwilling to have it granted. If both parties are willing there is what is known as connivance, and connivance is considered a bar to divorce. Since it is obviously impossible to prove that the respondent party is unwilling to have the divorce granted, the courts are being instructed to fall back on the method of insisting on the most rigorous proof of actual adultery, in order to meet the case of the respondent who is willing to facilitate the divorce to the length of registering at a hotel with a person of the opposite sex, but has scruples about actual intercourse. Those who have no such scruples will have no trouble. It does not seem to make sense.

Parliament Figures

IT WOULD be interesting to know whether the annals of any Parliament under the British system contain a parallel for the case of the late Rev. G. W. Brown, who was a duly elected member of the Canadian House of Commons in two Parliaments, yet never sat, and never had a chance to sit, for more than half a day. He was elected in a by-election preceding the half-day session of last January, was re-elected on March 26, and died on March 31. He was sixty-four years of age, and a man of great earnestness and depth of feeling, and his death was probably somewhat hastened by the emotional strain of these events.

Another curious case is that of the Hon. Cyrus MacMillan, who was sworn in as a member of the Canadian Privy Council in June, 1930, and had to wait ten years before assuming a seat in the House. He was defeated in the landslide from Liberalism in 1930, did not run in 1935, and was elected last week. He is probably the only professor of English in the

THE PASSING SHOW

BY HAL FRANK

THE King Government has been provided with the opportunity of a life-time, to proceed not only with the war effort, but the post-war effort.

I doubt if I'm rational,—
I voted National!
—Old Worried Manuscript.

French Premier says it's going to be a lung war.
—New York newspaper. Stet!

The office pessimist wasn't surprised at the election result. He says it merely proved that Canada refused to swap hearses crossing a stream.

And you will know it is Utopia, too, because when you light a cigaret, your hostess won't remind you that the rug cost \$600.

Sun spots interfered seriously with radio programs last week. Scientists may be right when they say it is impossible for life to exist on the sun, but it is apparent it must support some form of intelligence.

While we sympathize with the Czechs and the Poles and the Finns, we think Canada should first look after the victims of its own lightning-like war. We refer, of course, to National Government refugees.

Question of the Hour: "Is that a crocus on the lawn or a florist's advertising folder?"

Rear-Admiral Byrd reports that on his recent trip to Antarctica, he couldn't find the South Pole. He might try looking in a German concentration camp.

But if the South Pole has changed its position, it is not at all surprising. The difficulties, these days, of maintaining complete neutrality are simply enormous.

Dr. Herbert Bruce, elected as a National Government candidate in Toronto, has announced that he is willing to work with the Liberal Government in pushing Canada's war effort. This is a perfect example of co-opposition.

Eleanor Roosevelt has stated it's her personal opinion that tradition should be observed and that no president should run for a third term except in extraordinary circumstances. But, of course, if an American president should run for a third term it would be an extraordinary circumstance.

Timus, our world expert, has finally figured it out. He says the peace that people expect after this war is over they're getting now.

March, 1940, will stand out in history as completely unique. Hitler came in like a lamb and went out like a lamb.

Esther says that you can say this for the new hats. She says if someone accidentally sits on them they still look like hats.

↑ THE PICTURES ↓

MODERN CAVALRY. These light cavalry tanks are amazingly mobile and are able to operate over the roughest country and to extricate themselves in a miraculous manner from all sorts of seemingly impossible positions. The photographs were taken behind the British lines in France during manoeuvres. Left, negotiating rough country. Right, crews running to man their tanks at the call of "Action!" Despite the grim reality and purpose underlying the scene, nature conspired to make this a truly beautiful photograph.

British Empire to bear the title of "Hon." He is an expert on Indian folklore, fisheries, and Maritime Claims.

Education Is Useful

THERE are undoubtedly great advantages about the participation of educated persons in our political life. The Hon. William Aberhart, who retains his post of Premier and Attorney General of Alberta, is by profession a school principal; and without that advantage it would probably have been impossible for him to deliver the magnificent piece of invective which is ascribed to him in the Alberta press, and which reads as follows:

"The people are not going to be misled, cajoled, cheated and robbed of their votes simply because these disguised, old-line party financial henchmen sit back like jackasses kowtowing and braying to the stars the one phrase, 'Lick Aberhart.' It will take more than all the mountains of money the big shots can pour into this election or the most ridiculous cartoons some moron can conceive; it will take more than the most unscrupulous lying, whispering campaigns that the mind of depraved reprobates can devise, to wheedle the votes of these mothers, wives and daughters. . . . So let them roll out their barrels of money—these financial moguls. Let them bring on their dirty rumors, their vile whispering campaigns; let them publish abroad their vicious, distorted cartoons and print their malicious half-truths in their low-down degraded yellow press—these henchmen of financial bondage. Let them spring every nefarious trick they know."

Prima Donna's Rights

THERE is an old newspaper tradition that prima donnas are ruthless seekers of publicity; but during a recent visit to Toronto the great Wagnerian singer Kirsten Flagstad came out rather strongly for the opposite boon of "privacy." Some years ago a book was published by a Canadian writer in which it was predicted that the day would come when celebrated persons would find it necessary to employ privacy agents as distinguished from publicity agents. For Madame Flagstad that day seems to have arrived.

In the recent episode at Toronto our sympathies lie entirely with the prima donna. As is customary with most singers obliged to make a public appearance at night, she lay abed until mid-afternoon, in escrow, so to speak so far as interviewers were concerned. But the press was not to be foiled; its emissaries, including photographers, lurked in the corridor, and when a maid emerged with a tea-tray, leaving the door unlocked, they crashed the singer's bedroom. They found her in a kimono with her hair hanging around her neck, and the room in disarray.

On stating their mission they were treated to a stream of language, unquestionably emphatic. Since the singer is a very large woman who could probably "lick her weight in wild cats" the verbal battle was one-sided. It is hoped that the reporters are now sadder and wiser; but it seems fatuous to ascribe the lady's anger merely to "temperament." It seems to us a timely assertion of womanhood. We fancy that any woman in private life, however gentle by nature, would be similarly outraged if her bedroom were thus invaded by reporters and photographers.

Nobody seems to have tried to take a "candid" (Continued on Page Three)

Russia Dare Not Let Germany Control the Danube

BY COL. GEORGE DREW

THE meeting of the British Ambassadors to the Balkan nations now taking place in London brings into sharp focus the position of Hungary as the gateway to the Balkan Peninsula. That important gathering of Ambassadors, suddenly called together for the obvious purpose of considering united diplomatic pressure in Eastern Europe, serves also to remind us that the German drive down the Danube Valley, which most observers expected during the month of March, has not yet materialized. The fact that the Ambassadors are meeting in London at the beginning of April is the best possible evidence that Germany is hesitating to move through Hungary against Roumania, and that the Allies have plans of their own in that area.

Why is Germany hesitating even temporarily? The free passage of oil, coal, and grain, up the Danube from Roumania and the Black Sea is vital to Germany this year. While Roumania has not stopped export to Germany, much that Germany needs is going to the Allies. There can be no doubt about Germany's ability to march through Hungary and subdue Roumania, just as Von Mackensen did during the Great War. The armies of Hungary and Roumania can offer no serious opposition to the highly mechanized German troops which conquered Poland in two weeks. There are other reasons for the delay.

One reason is Russia. The statement by Molotov on March 29 that there is no agreement between Russia and Germany which will involve Russia in the war between Germany and the Allies is the first open suggestion that the Moscow-Berlin axis is none too strong, and that Von Ribbentrop's visit to the Vatican may have far reaching consequences. Even if Mussolini might consider friendly relations with Soviet Russia, it is difficult to imagine that any possible international proposals or projects, which Von Ribbentrop might discuss with the Pope, could contemplate any other basis than a firm stand against Communism.

Pacts Are Futile

That being the case, it is altogether likely that Stalin is not forgetting Hitler's earlier plans to conquer the Ukraine. And if Germany invades Roumania, all that stands between Hitler and the Ukraine is the Non-Aggression Pact between Russia and Germany signed on August 26 last. Stalin remembers how much security Poland found in a non-aggression pact with Germany. And Hitler remembers that when he attacked Poland last September Stalin unexpectedly attacked from the other side and occupied the largest part of that unhappy nation while the Polish armies were engaged on the West. A glance at the map will show that if Hitler moves down the Danube a divided Roumanian army can offer no resistance to Russian forces moving from the Ukraine through Bessarabia to the mouth of the Danube.

If that happened then Hitler would be confronted with a choice between accepting Russian control of the Roumanian oil and grain resources and their transportation by water to Germany, or dislodging Russian troops by force. There can be no doubt that his army could perform this task with little trouble but that would immediately create an eastern battle front. And Hitler has said time and time again that Germany must avoid fighting a war on two fronts.

Russian military weakness might restrain Stalin. If Hitler is convinced that Russia dare not risk a military adventure in Roumania, then he may disregard these possibilities. But the peace with Finland did not help the German plans. If Russia had been engaged in the north during the past month Germany might have followed a different course. Stalin could not have risked a war on two fronts. Now his hands are free. Russia's comparative failure in Finland does not necessarily mean that Stalin would not risk an attack on Roumania if Germany moves east. The Roumanian army is not the Finnish Army and months of good weather lie ahead. It must be remembered that Stalin has strong reasons for taking even very great risks to prevent Germany controlling the outlet to the Danube. While it is of vital importance to Germany to obtain supplies by river transportation up the Danube, it is equally important to Stalin that Hitler should not be free to move German gunboats down the Danube into the Black Sea. If that happens he has no naval force capable of protecting the Crimea and the Ukrainian shores of the Black Sea. Russia is as greatly concerned about German domination of the Eastern Danube as any other nation. The free entry of German river warships into the Black Sea will not be welcomed by Russia any more than the entry of British and French warships by the Dardanelles.

Russia is undoubtedly one strong reason for Hitler's unexpected caution in dealing with Roumania.

There is another and perhaps even more important reason. That is the importance of Hungarian independence to the other Balkan nations and particularly to Italy.

War or Submission

Hungary with her small and badly equipped army could offer no effective military resistance to Germany. But if Hungary challenged Germany's right to move troops over Hungarian territory, then Italy and the other Balkan States would be confronted with the same choice which confronted the Allies when Germany invaded Belgium in 1914. For the Balkan nations it would mean war or submission to German domination. For Italy it would mean war or complete loss of her present prestige in eastern Europe. There is little doubt that this was one of the most important subjects discussed by Hitler and Mussolini during their none too friendly meeting recently at Brennero. Hitler was the suppliant. The meeting took place on Italian soil, where it may be recalled all recent meetings have been arranged, and there was no suggestion that Hitler won his points. On the contrary, eye-witnesses described Hitler as tense and nervous while Mussolini was cheerful and confident. There was nothing to suggest that Mussolini had discarded Italian influence in the Balkans.

But the situation would be different if Hungary invited German troops to protect her against Roumania. A pretext for that form of protection has been easily arranged in other cases during the past two years. The Nazi organization in Hungary exists for that purpose, as it did in Austria, Czechoslovakia, and Danzig. It has so far been suppressed with considerable apparent severity by Admiral Horthy, the Regent of Hungary, but it exists and has been tolerated, possibly because of the fear of giving too much offence to Germany.

I saw one striking example of this toleration which indicated how openly this Nazi organization has ignored the edicts restricting their activities. When I visited the tomb of the Unknown Soldier in Budapest I found that the only wreaths at that time lying on the tomb carried the Nazi swastika. That probably merely happened to coincide with some event the Nazis were commemorating, but there were the Nazi emblems for any visitor to see. It may perhaps be worth remembering that the Hungarian Unknown Soldier served under the orders of the German High Command.

While Hungary has strong reasons to be fearful of Nazi aggression and has sought the assistance of other powers to assure her independence, there are strong reasons why Hungary might be prepared to gamble with that independence in the hope of winning back some of the territories lost after the Great War by the Treaty of Trianon. Just as Germany's "Lost Territories" provided the emotional fuel for the Nazi machine, so Hungary's "Lost Territories" may lead her people to a decision that would appear to be little less than national suicide.

Heart-Breaking Lesson

Much will depend on Hungary's attitude. The world learned a few weeks ago that there may be different reasons why a nation will not ask for assistance which is available, even under the most urgent pressure. Finland withheld a request for British and French troops because her relationships with Sweden and Norway were involved in the decision. Hungary for an entirely different reason might make no demand for protection against Germany. Failing that demand, no other State might be prepared to open the path for Allied or other troops to move against the German army. The reasons why Hungary would oppose German aggression are obvious. The reasons why Hungary might open her frontiers to German troops are strong but not so apparent. Those reasons have their roots in Hungarian history.

Hungary offers a heart-breaking lesson for all who forget that national boundaries and national defence are sooner or later synonymous terms. If any people had the right to complacent assurance that their boundaries were everlasting, those people were the Hungarians in 1914. True, they had been invaded by Tatars and by Turks. True, they had been under the Austrian yoke. But for more than one thousand years their boundaries had not changed. No other people in the world had preserved their boundaries for so long. The dismemberment of Hungary after the Great War was one of the greatest tragedies of that war, and no Hungarian has been permitted to forget that tragedy.

Before the war 25,000,000 Hungarians lived in a



—Photograph by Col. Drew

SWASTIKAS, IN SPITE OF THE LAW, TO DECORATE TOMB OF UNKNOWN SOLDIER IN BUDAPEST

natural geographical division surrounded by the Carpathian Mountains and used the mighty Danube as their central path of commerce. Between 1900 and 1914 the capital, Budapest, had the most rapid growth of any city in Europe, the population increasing 800 per cent. in those years. Budapest was a city of romance, but also a city of great and growing industry.

Under the Treaty of Trianon, which was the aftermath of Versailles, she lost two-thirds of the territory to six surrounding nations, and her population was reduced to 9,000,000. The eastern part which passed to Roumania contained nearly 3,500,000 Hungarians, and was by itself a larger territory than the Hungary which remained.

That situation has never been accepted as permanent by the Hungarian people. All over Hungary flags are still flown at half-mast for the "Lost Territories," just as they were in Germany. Every Hungarian child learns the pre-war frontiers of old Hungary and every Hungarian accepts this national creed:

I believe in one God.
I believe in one Fatherland.
I believe in Hungary's resurrection.

One block away from the beautiful Parliament Buildings in Budapest is something in the nature of a national shrine which tells more clearly than words can describe the faith and hope of the people of Hungary. In the centre of a large square is a fenced-in area with a map composed of evergreen plants of different shades which is raised at one side so that it can be clearly seen. This map shows Hungary as it was, and in lighter colors, Hungary as it is. Around the map in large letters also formed with plants, are the names of the lost territories.

Facing this map is a white flagpole on which hangs the Hungarian flag at half-mast. At the top is a bronze hand with two fingers raised in supplication. On the massive base are these words which tell so much of what is in Hungarian minds. These are the words: "Nem, Nem, Soha." They mean: "No, No, Never."

That map and the flagpole tell a story that is repeated all over Hungary. Never have they accepted as permanent the boundaries established after the Great War. Germany permitted them to reoccupy that part which had been held by Czechoslovakia. The loss which has always aroused the greatest bitterness, however, is that large territory to the east now occupied by Roumania.

If Germany promises Hungary her independence and the return of that land from Roumania, as she undoubtedly already has, in the event that Germany decides that force is necessary, then it must be admitted that this is an extremely tempting bait to Hungary in spite of all the risks involved.

But there is another force at work. The Hungarians

are a proud people with a great tradition of personal freedom which has survived several invasions and cruel periods of tyranny. It is their boast that their freedom is assured by a charter known as the Golden Bull, which was signed only seven years after the Magna Charta, and was probably inspired by that great covenant itself. They recognize only too well that Nazi doctrines will destroy all that they have sought to build. They remember too the cruel yoke of their Teutonic overlords from Austria while they were unwilling partners in the Austro-Hungarian Empire. The spirit of the Great Liberator, Louis Kossuth, still is alive amongst them. While they have been taught that ancient Hungary must be restored, they have never been taught that they should pay for that restoration with their freedom.

That is the dilemma which Hungary faces today. They may not yet be called upon to make the choice. They may on the other hand have to make it any day. It is of course possible that concern about Russia's attitude and the danger of extending a long line of water communication, without adequate parallel railway and highway facilities, may stay Germany's hand. But if Germany forces a decision upon Hungary, it is a decision of far-reaching importance to Europe and the whole world.

Much Like the Finns

It should not be assumed too readily that Hungary will make the choice suggested by expediency. It is perhaps not without significance that in spite of the distance which separates them, the only other people with whom the Hungarians can trace a common origin are the people of northern Finland. More than a thousand years ago two groups of the same Finnish-Ugric tribes of Asia settled in those two areas and have retained many similar characteristics through all these years. One of them is courage.

They will risk much to fulfil their dream of a restored Hungary. But they have risked everything in the past to preserve their freedom and may do so again. The course they follow will depend very much on the measure of hope which is offered to them. The dismemberment of Hungary is a vital problem. Its restoration is the most perplexing question of the Danube valley. Of all people fighting against the Allies in the last war, the Hungarians were the least to blame, and yet, along with Austria, they suffered the most severe punishment. Some readjustment of boundaries must occur, or there must be some form of federation which reduces the importance of those boundaries. There can be no lasting peace while flags are hung at half-mast and their people gaze at the maps of the Hungary that was, and repeat with hatred and with hope, "No, No, Never."

Doubtless the Ambassadors now gathered at London are seeking some solution which will assure justice to Hungary as well as to Roumania, Yugoslavia and Bulgaria. There can be no easy answer to the problem, but an answer must be found.

The difficulty of this problem and the cruel choice which lies before Hungary illustrates the nature of many of the settlements which must be made before there can be lasting peace throughout the world. If Hungary is to make the right choice, much will depend on the assurances she receives of prompt and effective support from other nations which profess their love of freedom. The Hungarians will not forget the fate of Finland. We are concerned about the future of Finland. We have no less reason to be concerned about the future of Hungary.

And so today the most important river in the world is the Danube which for 1,400 miles carries so much

THE PICTURES

The Royal Ontario Museum in Toronto has been recently enriched by an exhibition of Canadiana on indefinite loan from Dr. Sigmund Samuel, the Toronto philanthropist and one of the directors of the Museum's board. The collection consists of engravings, lithographs, maps and letters. Upper photograph, a general view of the exhibition. Lower left, "Death of General Wolfe", from the painting by Benjamin West and engraved by William Woollett (1761). The original is in the National Gallery of Canada at Ottawa. Lower right, "H.M.S. Vanguard off Pierced Island", by Francis Swaine (1760).

—Photos by "Jay"



vital commerce for so many people. It has seen more wars than any other river. Its waters have run red with the blood shed in endless feuds which have served no purpose. Germany dreams of the day when the Danube will be a German river. But Russia is likely if necessary to throw her badly-equipped and badly-trained armies into Roumania in an attempt to prevent that happening because Russia cannot protect the Ukraine from Germany once German river craft can move freely into the Black Sea. And so the diplomatic moves now being pressed with ever-increasing vigor by the Allies and by Germany will have much to do with the fate of Europe. As one of the Allies in this war, Canada is much concerned with the decisions now being reached in London.

With the lesson of Finland still so vividly before the world, those nations which wish to preserve their own freedom must decide definitely whether all free nations will now stand together or fall separately. Budapest is closer to New York or Ottawa than Helsinki.

The Front Page

(Continued from Page One)

picture. If he had, he would probably have found himself in possession of a badly damaged camera. The honors of the affray were all with Madame Flagstad, and we accord her a pat on her fine broad back for this assertion of her rights to privacy. After all a woman's bedroom, even if it be in a hotel, is her castle.

An Excellent Appointment

THE appointment of Mr. Hector McKinnon to the Chairmanship of the Tariff Board is both a well deserved reward for a long and brilliant term of service in an almost equally responsible position, and an assurance that the work of the Tariff Board will for some time be carried on with excellent judgment and with the aid of an intimate knowledge of the problems of all the industries which are likely to be affected by its decisions. Mr. McKinnon is the ideal civil servant, industrious, conscientious, and endowed with a rare capacity for seeing to the heart of the most complicated questions that present themselves. The practice of promoting such men to fill the quasi-judicial positions which are steadily becoming more numerous at Ottawa may temporarily result in some little difficulty in filling their civil service posts; but in the long run it will attract to and keep in the civil service a much higher type of official than could be otherwise obtained. Mr. King must have resisted the demand of many expectant politicians in order to make this appointment, but he will have his reward in widespread public approval and in the knowledge that the government's work will be well and faithfully done.

Unfortunate Admission

THE Toronto *Telegram*, which is naturally somewhat disappointed at the results of the election, has explained to the world at large that they are due to the fact that the Canadian public is not interested in the war. Even if the *Telegram* honestly believes this to be the case, it would have been more patriotic on its part to refrain from saying so; for there can be no doubt that that sort of thing makes excellent reading in the German propaganda periodicals. But we question whether, in its less resentful moments, the *Telegram* really believes any such thing at all. Our own conviction is that many electors voted Liberal precisely because they were interested in the war, and because they did not believe that the men who would be available to run it, so far as Canada is concerned, if the Conservatives got in, would be as competent at doing so as the Liberals who were already carrying on the business. To the *Telegram*, with its extremely high opinion—at the moment—of Dr. Manion, Mr. H. H. Stevens, and the rest of the Conservative leaders, this may seem like an absurd attitude. But there have been times when the *Telegram* was not so profoundly impressed with the abilities of these gentlemen, and we fancy that there will be times again. Meanwhile the Canadian public knows what value to put on the *Telegram's* lamentations, even if the Germans do not.

Making Peace With Germany

THE Labor party of New South Wales, acting we suspect under a good deal of influence from Moscow, has declared its belief that Australia should make peace with Germany as soon as possible and on any possible terms. We do not know whether the Labor party of New South Wales has seriously considered what those terms are likely to be. For the moment they might appear—to a Labor party—harmless enough; they might, for example, call for nothing more than the handing over to Germany, when she is ready to take possession of them, of three or four strategic harbors and points of defence on the Australian coast. They would certainly include the surrender of the whole of the Australian navy and of a considerable part at least of the equipment of the Australian air force. So long as the war continues and Great Britain continues to be master of the surface of the ocean, it is possible that Germany might not be able to do much towards taking possession of these newly acquired assets. But the instant the war is over she would be perfectly free to do so, for it is obvious that the British Fleet could not make any attempt to protect the sovereign rights of a country which has definitely intimated that it does not want them protected. In other words, whatever is the issue of the war, if Australia makes peace now, she is surrendering to Germany. We do not suggest that there is any possibility of her doing so, for we are convinced that there is not the slightest; but we do suggest very strongly that the Labor party of New South Wales has given no serious consideration to the consequences of what it advocates.

For the plain truth is that every neutral country in the world today, and every element in the population of an Allied country which desires to return to neutrality, is relying on the British and French armed forces by sea and by land to protect it from falling sooner or later a victim to German domination. A great difficulty—perhaps the greatest difficulty—of the Allies in this present war is the inability both of their own peoples and of the neutrals to envisage the possibility and the consequences of their defeat. They were victorious, after four years of tremendous struggle, in the last War; and there is a strong tendency to suppose that they must inevitably be victorious, perhaps after another long struggle, in the present war. But there is no such inevitability. Without the exertion of a tremendous amount of energy, and the acceptance of a tremendous amount of sacrifice, there is no possibility of their doing more than effecting a temporary stalemate, which would simply improve Germany's prospects of success when she is again ready to resume the offensive. If Germany is not definitely defeated in this war, we may as well reconcile ourselves to the certainty that she will be definitely victorious in the next one.

What that means for Australia, for Canada, for every country now in the alliance against Germany, and for every country which is today neutral, is a question which we cannot afford to ignore, or to push to the back of our minds because it is too painful to



"IMAGINE THAT CHURCHILL! TRYING TO STARVE GERMAN WOMEN AND CHILDREN! THE CAD!"

FROM WEEK TO WEEK

The Conservative Party

BY B. K. SANDWELL

IT IS in the highest degree improbable that there will be another federal election in Canada during the war. In the next federal election, which we may therefore take to be a peace-time election, what will be the grounds upon which the Conservative party will ask the electors to turn over to it the mandate which the Liberal party has been administering? Nobody has the slightest idea; and that state of ignorance shows the extent to which the Conservative party, regarded as a body of electors working together for the application of certain common principles in the government of Canada, has been paralyzed and almost destroyed by the successive blows imparted to it by Mr. Bennett's one-man leadership, Mr. Bennett's departure, and the subsequent necessity of fighting a war-time election under the gravest possible disadvantages. The Conservative party is still one which controls something like 40 per cent of the total vote of the country even in face of these obstacles; it enjoys the adherence of a large and faithful body of the common people; but it does not know where it is heading nor where it ought to be heading. It shows very few signs of being able to find out where it ought to be heading, and if it does not fairly speedily find out where it ought to be heading it will infallibly lose a considerable part of the following which it still enjoys.

The party today is very much in the condition of an otherwise healthy man who has been seriously injured in an accident, has lost a great deal of blood, and is in urgent need of blood transfusion. If he can get that blood transfusion promptly enough, he will probably recover, and in a few months will be as husky as ever. If he does not get it within the requisite time limit, he will probably die. And unfortunately the time within which the transfusion ought to take place is, for the Conservative party, in this juncture of its affairs, an exceedingly difficult time for any kind of serious reorganization. If it were not that the party may die in the interval, it would be immensely better to leave its reorganization until after the war, and to allow it to mark time as nothing more than a lively and honest critic of government policies, with no policies of its own, until the time is at hand when all of us will be able to consider seriously what kind of a nation we can hope to make out of whatever is left of us at the end of this struggle. But I do not think the Conservative party can afford to lie dormant to that extent for very long. It is not fatal to a party to be out of power, but it is fatal to it to be obviously out of ideas. The people who have clung to it out of respect for the tradition of Sir John A. Macdonald, Sir Robert Borden and Mr. Bennett will not go on clinging indefinitely as the traditions get thinner and thinner and no strong leader arises with the power to breathe life into them once again.

Provincial Arena

There are fortunately, however, two distinct arenas in which a political party can show signs of life or succumb to paralysis—the federal and the provincial. It may not do any grievous harm for the Conservative party to lie dormant in the federal field for two or three years provided only that it can show signs of vigor and vitality and up-to-date ideas in all or a considerable number of the provinces. Any Conservative leader who is really more profoundly devoted to the interest of his party than to the glory of his own career would not have taken longer than the end of last week to shift his interest from the federal arena to the provincial—unless of course he was in a province where there is no conceivable hope of the party ever making a decent showing; and there ought not to be any such province, with the possible exception of Quebec, if the party is ever to regain its old position as a truly national body. What sort of policies, both national and provincial, but having nothing to do with the war, are most likely to gain support and prestige for the Conservative party in Nova Scotia, in Ontario, in British Columbia and even in Saskatchewan? (It is not the purely provincial policies of a party which gain or lose votes for it in the provincial election, it is its national policies also.) The Conservative party has no hope of getting into power at Ottawa for four or five years; but it might quite readily get into power in Ontario in one or two years, and it might give the Liberals a lot of trouble in several other provinces even earlier.

I venture to suggest that these policies should not have very much to do with the relationship between Canada and Great Britain. The claim to

be more "loyal" to the British connection has served the Conservative party well on two occasions, both of them in connection with proposals for the establishment of more intimate commercial relations with the United States. On the first occasion it is generally admitted that the Liberals were wrong; on the second occasion it is not so universally admitted that they were wrong; and it is possible that if a third occasion of the same sort should arise they would not be wrong at all. Conservatives, especially in Toronto, are apt to forget that even Sir John A. Macdonald did not spend his entire political time declaring that "A British subject I was born, a British subject I will die." His most influential successor, Sir Robert Borden, did more than any other prime minister to magnify the national independence of Canada, and Mr. Bennett was certainly not swayed by any undue subservience to Great Britain in the commercial aspects of the relationship, which were the only ones to come under consideration in his time. A great deal of water has flowed down the St. Lawrence since 1891, and a Governor General from Scotland, probably the greatest and certainly the best beloved Governor General that Canada has ever had, has himself proclaimed the doctrine that the first loyalty of a Canadian is to Canada. No political party which fails to recognize that doctrine will ever get very far.

Towards Mild Socialism

The real problems of the post-war era will be mainly those of the relationship between the state, property and labor. It has long been my conviction that, with the Liberal party pinned—both by its traditions and by its obligations to the province of Quebec—to a highly restricted concept of the function of the state in relation to business and labor, the proper position for the Conservative party to take is one well to the left of Liberalism—a kind of moderate Socialism suited to a country still in an early stage of economic development, still imbued with a good deal of individualist feeling, and not yet capable of developing a highly competent state bureaucracy. This, of course, would throw Mr. J. M. Macdonnell and a number of other good Conservatives into the Liberal camp; but I have long wondered whether anything besides tradition prevented them from going there anyhow. Mr. Bennett showed signs during the last year or two of his career of realizing that this was the party's true destiny; but I think that he realized it only with his intellect and not with his heart, and in any case he was not the man to commend that new direction of policy either to the electors at large or to the influential people in his own party. A party with a consistent and well-thought-out policy of this kind, including generous provision for the security and well-being of labor, could probably incorporate railway amalgamation as one of its planks without any serious danger—preferably by some device which would allow the profit motive to operate within reasonable limitations as an incentive to efficiency in the carrying on of this vast business enterprise, but with so large an amount of government control that the resulting monopoly, whether of management or of labor, would not be dangerous to the general interest.

There is nothing whatever to be gained by a continuance of the bitter criticism of the Liberal war effort which constituted the whole of the campaign just completed. Much of that criticism will probably be found in the long run to have been justified; but to criticize justly is one thing, and to do better oneself is another, and the Canadian public refused to believe—not without some reason—that the disorganized and inexperienced body of men who constituted the Conservative High Command were in the least likely to do any better with an extremely difficult job than the experienced, well organized and well known Liberals who were already doing it. There are no doubt several eminent Conservatives who are quite convinced that they could run the war much better than Mr. Rogers and Mr. King; and it is conceivable, though far from certain, that they would. But they had far better forget about it, for they will not have any chance to do so, and the task which lies before the Conservative party at the present moment is an entirely different one, and one upon which the very life of the party itself probably depends. The war will come to an end in due time, but the problems of the government of Canada will not—unless the Germans take over that government and relieve us from the necessity of bothering with them.

consider. A Germany which is master of Europe is master also of the oceans of the world. Throughout the nineteenth century Great Britain was master of the oceans of the world, and used her mastery to spread the advantages of international trade, the concepts of Western European civilization, and the institutions of political liberty. This is not the use which Germany would make of her mastery of the oceans. We know the German idea of the purposes of trade; we know the German concept of civilization;

we know the German respect for the institutions of liberty. We may be quite sure that when Germany is master of the world's communication lines, commerce will be carried on for Germany's benefit alone, civilization will be set back to the level of the barbarous ages, and individual liberty will cease to exist. To the Moscow-inspired mind there is nothing about this prospect that is alarming; but to any other type of mind it means the end of all that makes the world a desirable place to live in.

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THE HITLER WAR

Half Speed Ahead

BY WILLSON WOODSIDE

"The Supreme War Council passed in review developments in the strategic situation since their last meeting and decided on the future line of action." Allied Communiqué, March 21, 1940.

COMMUNIQUES aren't supposed to give away secrets and we can hardly expect our leaders to tell us, and all the rest of the world what was decided on at the recent Supreme Council meeting. But the "developments in the strategic situation" since the last conclave are obviously those connected with the liquidation of the Finnish War, and a fair pattern of the future line of action can be had, I believe, by fitting together a number of happenings of the past few weeks. These indicate that the war is entering a third stage—if you take as the first stage Hitler's series of grabs which gave him the Rhineland, Austria, Czechoslovakia and Poland, and as the second the six-months' stalemate which we have just passed through.

Boring this "Sitzkrieg" may have become to our people, but it has been an unspeakable boon to the Allied Command, allowing them to complete their concentration of forces, the change-over of industry from a peace to a war footing, and all the multifold preparations for the meeting of a great German attack. If in merely overtaking the advantage which Germany, by the nature of her régime, held over us at the outbreak of hostilities we have discouraged the German military from launching that terrible and much feared onslaught in the West, then we have already won a victory in this war equivalent to the Battle of the Marne in the last one, and incomparably less costly.

The idea that the Germans would attack in the West on the grand scale at the earliest possible moment in 1940 sprang from the assumption that they agreed with us that time was against them, recognized that we were in the war to stay, and would choose to strike while their superiority was at a maximum and before we gathered our strength from the ends of the world. In other words, that they would react much as Ludendorff did in early 1918, when he decided to strike before the

Americans could arrive on the scene in force. With the passing of March, however, this idea gradually lost its grip on our people and doubt began to grow whether Hitler really intended to fight that sort of a war; whether now that we are all prepared and waiting he would oblige us by sending his armies against our machine guns.

Closing the Flanks

The German press, in its jubilation over the conclusion of the Finnish War and the sealing of that front to a possible Allied flanking move, gave a clue to an alternative policy. Hitler's meeting with Mussolini on the Brenner was interpreted, and I think rightly, as a bid for Italian support in freezing the Balkan situation and closing the other flank approach to Germany. The hasty extension of the Westwall along the Dutch frontier spoke for itself. Apparently Germany didn't intend to attack in the West for the present, but to hide behind a screen of neutrals stretching in a three-quarter circle from Sweden around to Roumania, and put all her effort into consolidating her military and economic hold over Eastern Europe. At the same time she could continue to pick away at British sea-power and propagandize the French against the British, hoping to alarm our financiers over the continued strain of mobilization and bore our people with inaction until they were ready to call it off on Germany's terms.

Our people, who had accepted perhaps too comfortably the doctrine that time was on our side, now began to doubt it unreasonably. A vision of war stretching out for years and ruining their economic and social system burst over them and they demanded action. The French even turned out their government, and the lesson of this, the mummbling in England about Chamberlain and Asquith and the need of finding another Lloyd George to push this war, and the influence of the dynamic Reynaud, have apparently combined to spur the Chamberlain Cabinet to a more active policy.

We Shall Not Start

It is not to be expected that the signal will be given at once for full speed ahead. We are not ready yet for a massed attack against the Westwall fortifications or an intense aerial attack on Germany, the only two ways we have of getting at her directly. The first of these will certainly not be undertaken until German morale has been undermined by minor defeats elsewhere, by waiting, doubt and hunger. As for starting an intense aerial war, it seems to me that that is the one thing our side most wants to avoid. As I interpret our vast air-armor effort, it is intended, after providing adequate defence against a possible German attack, to build up such superiority as to discourage Germany from trying, and finally to secure such domination of the air as will make our victory on land quick and certain. Judging only developments on our side and with those on the other quite unpredictable and many unexpected things liable to happen in the meantime, I would say that it would be at least mid-1941 before we would attempt such a victory offensive.

The order for the present is only half speed ahead, and the idea is to pinch the blockade tighter, to "get tougher" with the small countries behind whom Germany is hiding and whose "neutrality" is working out all to the Reich's advantage, and to restrict Hitler's initiative. The most sensational development in tightening the blockade is the submarine offensive against the German ore



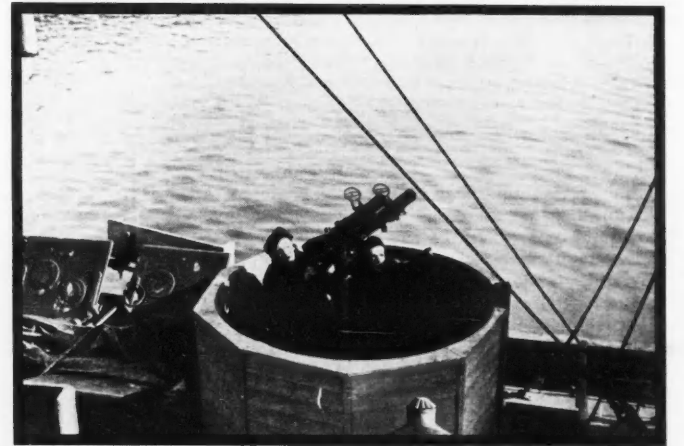
SERVING FALSE GODS

ships crawling down through Norwegian territorial waters from Narvik. The Altmark affair shadowed a British resolve to close this German corridor through the blockade, neutral rights or no neutral rights.

Rights of Neutral

We have a tendency perhaps to put God into a British uniform, yet I believe the violation of Norway's technical rights to be entirely justified here. We can hardly be accused of hasty or cynical action, in the face of our obvious reluctance to the step over many months, nor of picking only on small neutrals to bully, considering our stoppage of Italy's seaborne coal supplies from Germany and seizure of a number of Russian ships off Vladivostok. The tendency of the small neutrals, so glaringly por-

same time make it impossible for her to endure or win. The closing of Narvik to German ore ships would deny them the only practicable winter port for Lapland ore and by far the best summer port, and restrict them to Lulea, at the top of the Gulf of Bothnia, closed by ice four to five months a year and only equipped to handle a third of the Lapland ore, and Oxeloesund, near Stockholm, which handles the Central Swedish ore, amounting to about one-sixth of the country's total export. The Germans would besides be forced to unload their ore at Baltic ports such as Stettin and haul it across the Reich on the already over-burdened railway system. It has been suggested that in addition the Allies will bring pressure on Sweden to restrict her iron sales to Germany, offering to buy it themselves, and implying a threat of economic sanctions if she



NOW THEY DEFEND THEMSELVES. Scottish trawlers have been equipped with Lewis guns to fight off Nazi bombers.

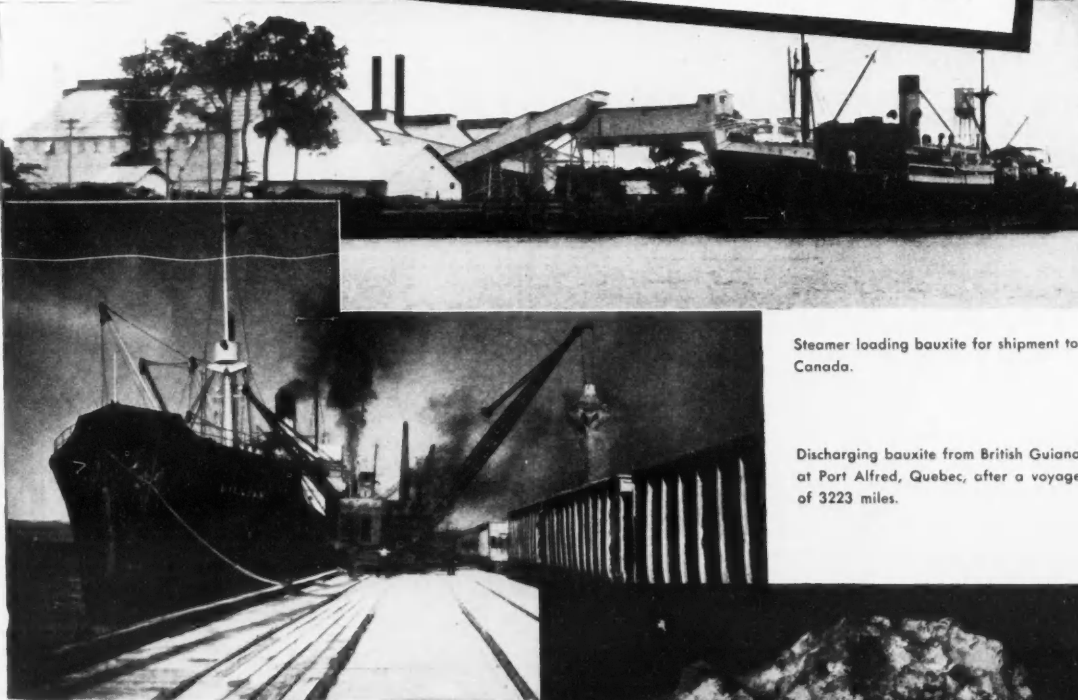
trayed in the recent blocking by Norway and Sweden of outside aid for Finland, to defer action out of fear for Germany and trust to our sacrifices to re-establish their independence afterwards, is strongly exercising Allied opinion. If these people won't fight for their own freedom, can we be blamed if we infringe some of their normal rights in securing it for them? After all, what "normal rights" would any of them have the day Germany triumphed? In Europe's life and death agony "right" takes on a somewhat different character; there is also the right of Western and Christian civilization to survive. All maritime neutrals, large and small, bordering on Germany are going to have their imports more strictly rationed in accordance with their own needs from now on, to stop the trans-shipment trade to Germany.

Pinching Off Supplies

That is the first step. A more particular effort is to be made to pinch off Germany's supplies of iron and oil. This, it is believed, is the surest way to force her to fight, and at the

doesn't fall in line. At the same time, the pinching off of Germany's oil supply, predicated from the beginning of the war as one of the prime objectives of our strategy since it would effectively ground the Nazi air fleet and immobilize her tanks, trucks, trains and submarines, is to be pushed more vigorously. This involves the decision, before which Whitehall has balked so long, of whether to take on Russia as well. It means persuading Turkey to take the same decision, or at least the risk, of fighting Russia, and open the Straits to our warships. It may mean forcing our help on an unwilling Roumania. And it would almost certainly mean fighting a campaign in the Balkans. Although the pressure on Roumania from the Reich is already terrific and haste on our part imperative if she is to be saved, such a comprehensive scheme will obviously take some time to develop. It is possible in the event that our effort may be "too late," but hardly likely that it will be "too little." There are too many graveyards, in this part of the world, of efforts of ours in the last war which were both.

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Steamer loading bauxite for shipment to Canada.

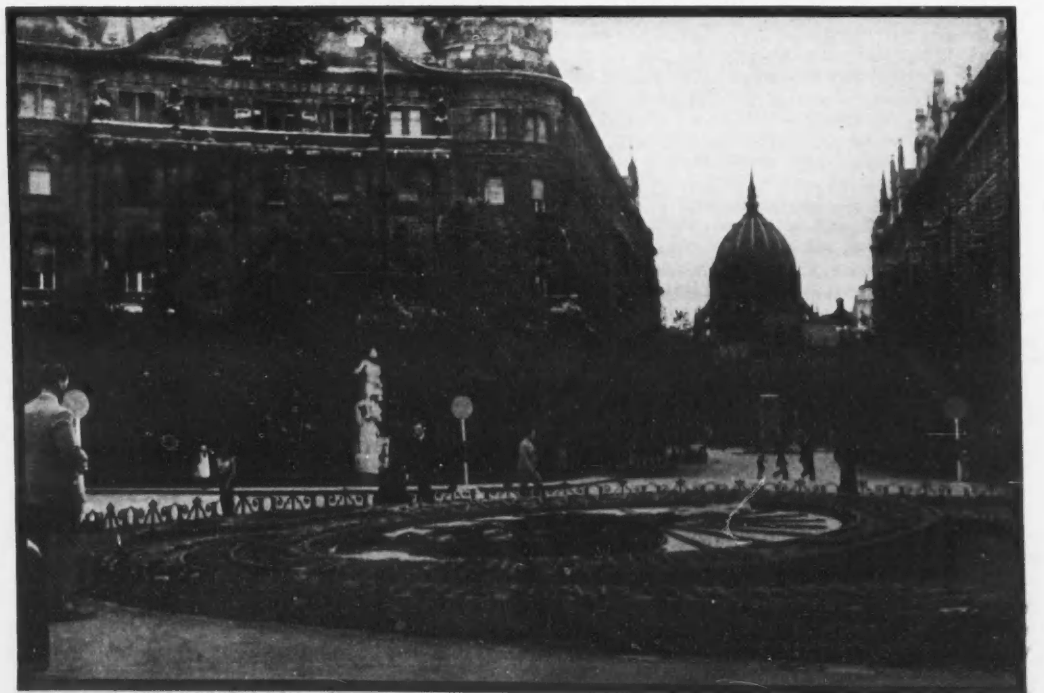
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IN BUDAPEST IS THIS FLORAL MAP OF HUNGARY BEFORE THE TREATY OF TRIANON. The light flowers are Hungary to-day, the dark flowers the Hungary that was. The names of the lost territories are circled around. In the background rise the Parliament Buildings. Photograph by Colonel George Drew (see page 2).

A Distinguished Senior Civil Servant

BY LOU GOLDEN

MUCH of the effectiveness of Canada's war effort will depend on the type of civil service the Dominion has developed during peace years. With the home front more important than it has been in any previous struggle, the contribution for war will in some measure fail or succeed as the senior civil servants at Ottawa are capable or incompetent. One of the capable and efficient of the senior civil service is E. H. Coleman, Canada's Under Secretary of State and Deputy Registrar General, and now chairman of the Voluntary Service Registration Bureau. Ephraim Herbert Coleman is recognized as a first class workman to whom organization and planning are a pleasure.

Dr. Coleman, (he is LL.D. *honoris causa* of the University of Manitoba) has had a career which differs from that of many of the senior members of the civil service. The case usually is the university, then some field of business or academic work, then civil service. With Dr. Coleman it was formal schooling until he was fourteen years old and then work. Not until he was past the age of most young men who intend to pursue a profession did he study for the law at the University of Manitoba Law School. It was not until he was thirty-two years of age that he was called to the bar of Manitoba.

"Eph" Coleman was born forty-nine years ago at Braeside, in Renfrew county, Ontario, the son of a small lumber dealer. His father was born in Canada. Three of his grandparents came from the South of Ireland and one came from the North. The family first settled in the neighborhood of Carleton Place.

Before he was fifteen years old Ephraim Coleman, the youngest of six sons, went to Sudbury to make his own way. Of his five years in Sudbury he spent his first as a clerk in the post office and the rest with the Traders Bank of Canada. In that time he rose to the position of assistant accountant. From Sudbury his bank transferred him to Winnipeg, still as an assistant accountant.

Change of Work

In Winnipeg there came a change of work which has influenced his life since. When he was twenty he left the Traders Bank to become private secretary to Sir James Aikins who, in the famous reciprocity election of 1911 entered the House of Commons as a Conservative member for the Brandon constituency. Mr. Coleman's boss sat in the House as a desk mate of R. B. Bennett. Both were back benchers.

Sir James was a man of many interests and one of them was the Canadian Bar Association. He was largely founder of that body, and young Coleman worked closely with his employer in its founding. Experience in the post of private secretary can sometimes be of utmost importance. In Mr. Coleman's case it was, for he retained his association with this active man for many years. Sir James Aikins in 1915 resigned from the House of Commons and a year later was appointed Lieutenant-Governor of Manitoba.

Coleman's association with Sir James continued from 1911 to 1929 in various capacities—all of them useful to the work he is now doing. From the position of private secretary Mr. Coleman went on to the study of law as a law student with Sir James. Later he became a law partner in the firm. He was secretary-treasurer of the Canadian Bar Association from 1919 to 1933, even though he was called to the bar three years after he first took the post. Since 1933, the year in which the Rt. Hon. R. B. Bennett appointed him to his present office, he has been honorary executive secretary.

Mr. Coleman's only break with the C.B.A. since its inception was for a short period of military service with the Canadian Expeditionary Force in Siberia where he served as n.c.o.

His interest in the law has always been most important to him. In addition to practising his profession in Winnipeg he became a lecturer in the Manitoba Law School and took turns at the teaching of every subject with the exception of criminal law and procedure. In 1929 he became dean of the Law School.

Many Big Jobs

Since his appointment to the post of Under Secretary of State under the ministry of the Hon. C. H. Cahan, Dr. Coleman has devoted himself almost completely to it. Now after six years of it he feels that it is one of the most important jobs he has ever undertaken. He likes the work, which is of a highly varied nature. His experience in organization stands him in good stead, and when he pushes one of the twelve buttons at his desk he knows what he wants.

The Under Secretary of State's work is complex. In peace time it is involved. In war time it develops many more variations. Added to his regular war time work is the important chairmanship of the body set up to provide a centre for those offering their services for the duration of the war. The Voluntary Service Registration Bureau acts as a clearing house for all offers of service. They are examined, classified and made available for any departments or agencies looking for people with special qualifications in the particular line desired. Contrary to the ideas of many people it is not an employment bureau.

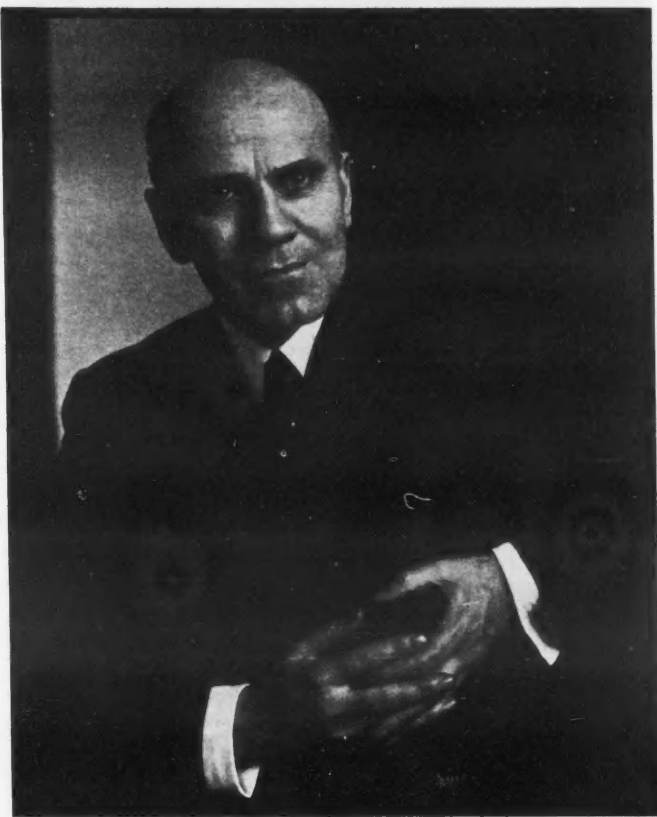
Dr. Coleman has had many opportunities to show his organizing ability beyond the straight work of his department. In 1935 he handled the Canadian end of the Silver Jubilee Celebration for King George V. For the Coronation of George VI he handled all the Canadian details from the Canadian side. He made the arrangements for the President Roosevelt visit to Canada in 1938.

His biggest job of all however was the handling of the details for the visit of Their Majesties last summer. His post was that of chairman of the Interdepartmental Committee on the Royal Visit. Dr. Coleman is very proud of the autographed photograph of Their Majesties and the silver box they presented to him at the conclusion of the royal progress.

Distinguished Family

There were seven children in the Coleman family. "Eph" is the third who has made his name in Canadian affairs. D. C. Coleman is vice-president of the C.P.R. George T. Coleman is general superintendent of transportation for the C.P.R. in Montreal. It is an unusual average for a family of six boys.

Today Dr. Coleman is a slight, quiet, efficient civil servant. He reads



EPHRAIM H. COLEMAN, IN A CHARACTERISTIC POSE
—Photo by Karb, Ottawa.

for recreation and when he is particularly tired claims mystery stories as his favorite fare. He is a member of the United Church and belongs to the Rideau Club of Ottawa, the Ottawa Country Club and the Manitoba Club in Winnipeg. He is married, his wife being Jean Robson, the daughter of the Hon. H. A. Rob-

son of Winnipeg. She also is a member of the Manitoba Bar.

Upon Dr. Coleman's shoulders and those of his colleagues in many other departments will rest the responsibility of carrying out a good deal of the work of the war. Without men of that type Canada's contribution would be very much less great.

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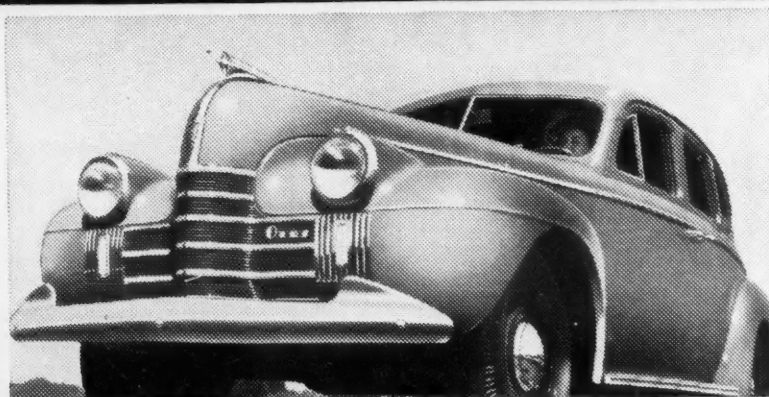
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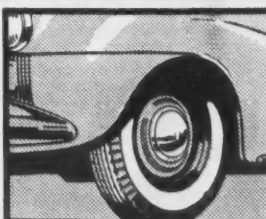
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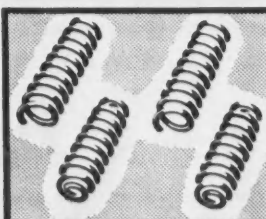


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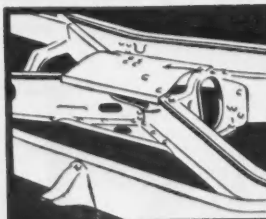
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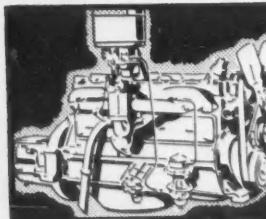
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BIGGEST
MONEY'S WORTH

Oil Research Is Highly Organized

BY SYDNEY B. SELF

Fifth of a series of articles on the entrance into a new industrial phase through a "chemical revolution." These articles attempt to look into the immediate, practical future of a dozen or more key industries whose fortunes are being made—and unmade—by the progress of modern research.

BEHIND the first great revolution in oil refining which changed the industry over from wasteful distillation to the use of heat and pressure—the so-called thermal processes—was a company of which most people outside the oil industry have never heard—Universal Oil Products Co.

Universal developed the famous Dubbs cracking processes that made one barrel of crude oil do what two did before. Now it is in the forefront of the second revolutionary change in the oil industry—developing processes that may make one barrel of oil do what it once required three to do.

New super-gasolines, large supplies of a cheap raw material called butadiene for making better synthetic rubber, new raw materials for the still unexplored organic chemical industry are all around the corner as a result of the work of this quiet but remarkable organization.

Universal owns no plants and makes

no products. Its chief assets are its almost legendary staff of research workers (the "\$25,000,000 worth of brains") and a great engineering and research laboratory in Chicago, complete with the small experimental plants known to chemists as pilot-plants, because they show the way up new and uncharted waters.

Probably half of the oil industry of the world uses the chemical devices perfected by its workers. Much of the \$400,000,000 American investment in "thermal" refineries owned by the giants and the many pigmies in the far flung petroleum industry were built under its supervision.

Once it may have been possible for holders of patents to sit back quietly and draw royalties, but in these days when chemical technique changes almost over-night constant new achievements are necessary to maintain position. Universal has 600 employees, including 200 research chemists whose calibre may be judged by the fact that five of them recently received "Modern Pioneer" awards in Chicago out of eight scientists so honored.

Having once been instrumental in turning the oil industry upside down with its heat cracking processes, Uni-

versal's staff is now busy developing means for another revolution, using the mysterious chemical agents called catalysts.

In the old method of distillation, gasoline was boiled out of petroleum as vapor and condensed, much as alcohol is boiled out of a still.

Heat cracking, which largely replaced distillation, uses the sledge hammers of enormous heat and high pressure to smash up the big molecules in petroleum into smaller ones, making a gasoline quite different from that which nature placed in the crude oil, and incidentally turning out much more gasoline than that made by nature.

Now Universal is bringing along what is called "catalytic cracking" which is almost the finishing step in turning the oil industry into a chemical industry, since it makes synthetic super-gasolines as well as other synthetic chemicals.

New Catalysts

A catalyst is simply a substance that makes a chemical change take place without taking part in the change itself. Sometimes a metal like platinum is used, sometimes pellets of clay,

and no one knows just how or why they work, only that they do. Somehow they set in motion mysterious and gentle forces of nature that seem to work much better than the violent forces of heat and pressure in changing around the molecules.

This development has reached the point where engineering plans are being completed by Universal on three big commercial catalytic cracking plants for three of the major oil companies.

Even more interesting, though not perhaps as important from the angle of industrial profits at the moment, are plans for making synthetic rubber of the type that the Germans have made famous under the name of "Buna." A contract lately has been signed with one of the big chemical companies for a pilot plant to make the raw material for "Buna," a chemical from petroleum called butadiene, which probably means another producer of synthetic rubber will soon be in the field. Just lately Standard Oil of New Jersey announced plans for making buna type synthetic rubber from butadiene, based in part on the German I. G. processes.

While plans are coming to a head on catalytic cracking, another kind of process perfected several years ago, using catalysts, is being installed by

big and little refiners all over the country, spurred by the demand for more and more high octane "super-gasoline."

This is called by the long name of catalytic polymerization. It simply means making big ones out of little ones. Cracking tears the molecules of oil apart. Polymerization strings them together.

The heat cracking processes, in smashing up molecules to turn out gasoline, also make considerable amounts of gases containing little molecules. These gases were once happily used by refiners as fuel to burn in their operations.

However, it was discovered that polymerization could readily turn them into the highest grades of valuable super-gasoline, so another waste material was turned into profits.

Saving of Crude Oil

How important this is may be seen from the fact that it probably means a saving of about 40,000,000 to 50,000,000 barrels of crude oil a year.

"Poly" plants cost from a little as \$10,000 up to as many millions as you care to spend, depending on how much waste gas a refinery has to turn into gasoline. One little refinery out in Michigan, for example, put in one at a cost of \$10,000 not long ago and paid for it out of profits in 30 days. The synthetic super gasoline made in "poly" plants runs about 82 to 84 octane and is generally used for

blending to step up the quality of the regular gasoline. About 50 different refiners are now using these catalytic polymerization plants to give them higher yields and better quality gasoline.

Since the industry has got to go slow about scrapping its \$400,000,000 investment in heat cracking plants, the "poly" plants are being used as one way of making more of the new super-fuels. The catalytic cracking plants also, for a long time to come, probably will be used to supplement heat cracking rather than to supplant it.

Dramatic Story

The story of Universal is almost as dramatic as its achievements. It involves fortunes lost and gained as a result of the chemical laboratory, accidental discoveries, and long range purposeful research work by chemical magicians.

Back in 1909 a man named Jesse Dubbs had an oil well with water in it, water so thoroughly mixed that it could not be separated by any known method. Being of an inventive turn of mind, Dubbs set to work and finally arrived at a high temperature, high pressure process that did the job. Mr. Dubbs did not know it at the time, but his process also resulted in making cracked gasoline vapors. In other words it was the first heat cracking process.

In 1913 another scientist, Dr. William M. Burton, also worked out a heat cracking process to make gasoline, and then Dubbs realized what he had, and had had first. A long drawn out patent fight started, finally won by Universal which had taken over the Dubbs process.

Son Followed Chemistry

Mr. Dubbs had a son to whom he gave the unbelievably appropriate name of Carbon Petroleum Dubbs, a prophetic name because Carbon Petroleum turned out to be an even better chemist than his father.

The son set to work in a laboratory to adapt his father's basic idea to oil refining. He interested J. Ogden Armour, who had many millions in the meat packing industry, and did not mind putting a little money in an interesting new idea. Universal Oil Products was the company formed to exploit the processes and its first president, who has been its guiding genius ever since, was Hiram J. Halle. Mr. Armour put more than \$6,000,000 in the project over the years with never a dime return.

Then along came the first World War and hard times, and the great Armour fortune melted like snow in spring. The banks took over the packing companies and most of the other assets. Mr. Armour died and his widow was left with little else but 1,000 shares of Universal which the banks thought valueless.

Sold Shares in 1931

But Mr. Halle and Carbon Petroleum Dubbs and their research men kept on working and in 1931, ten years later, Mr. Halle sold the 1,000 shares of Universal to Standard Oil of California and Shell Petroleum for \$25,000 a share. Of the total of \$25,000,000, Mrs. Armour got about \$13,000,000 for her "worthless" stock.

The price paid, however, was not for plants and property, or even for patents, valuable as they are. It was paid for the vast accumulation of knowledge and technique that had been piled up by the "\$25,000,000 worth of brains." It included the services of Mr. Halle and of the five "Modern Pioneers," Joseph G. Alther, who invented a new type of furnace which revolutionized refining methods by using new principles of applying heat; Carbon Petroleum Dubbs, with his hundreds of patents; Dr. Gustav Egloff, director of research with 250 patents for oil cracking; Prof. V. N. Ipatieff, who invented a catalytic polymerization process, and Dr. J. C. Morell, who invented a basic process for what is called alkylation which makes 100 octane gasoline.

Now Dubbs cracking units in the United States have a total daily charging capacity of 370,000 barrels, while units in foreign countries have 270,000 daily capacity.

Others Hold Licenses

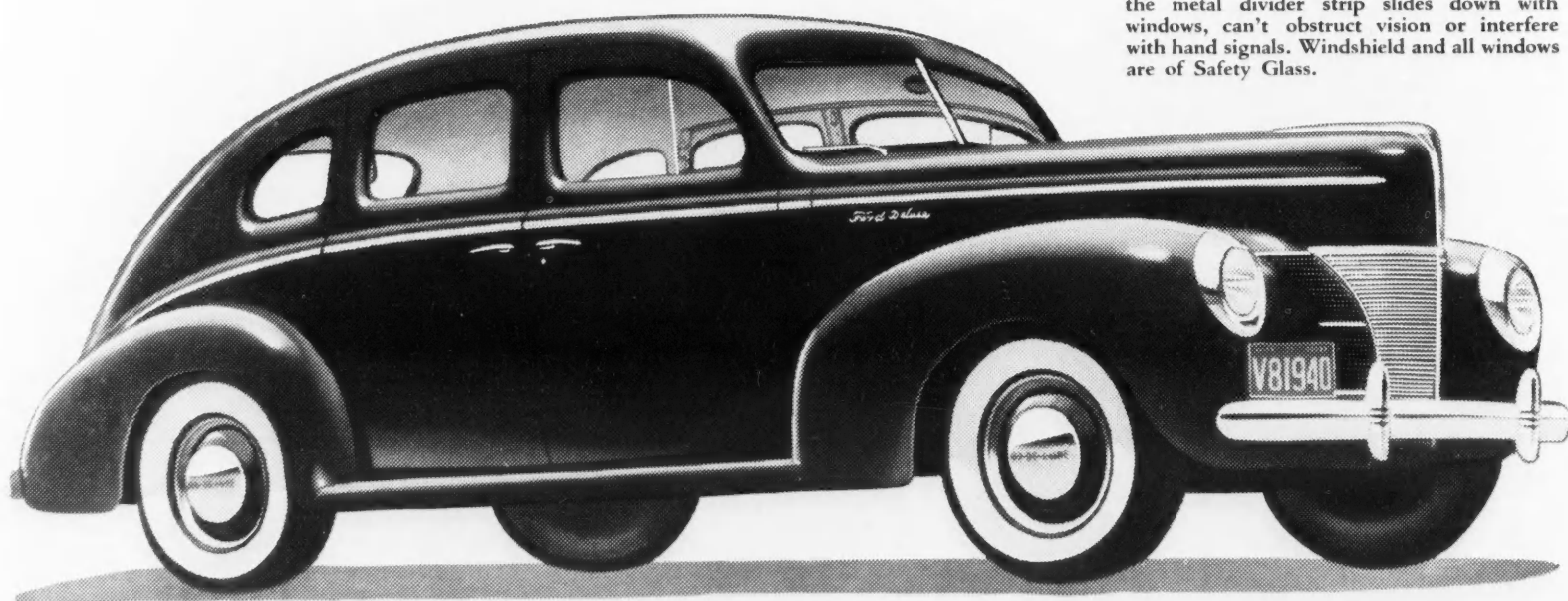
Besides Standard of California and Shell, both active in the chemical side of oil refining, Standard of New Jersey, Standard of Indiana, Gulf Oil, Sinclair, Atlantic Refining, Texas Co., Pan-American and many smaller companies are Universal licensees. It has been said that the company is the world's greatest clearing house for developments in oil technique.

Perhaps even more important than the improvement in quality of gasoline is the enormous saving in consumption of crude oil which has been made by the newer refining processes, savings which greatly extend the probable life of our oil reserves.

Figures tell the story. Back in 1920, 433,000,000 gallons of crude were used to make 115,000,000 gallons of gasoline, or about four to one. In 1936, 1,068,000,000 barrels of crude were refined to make 515,000,000 gallons of gasoline or about two to one. On the old basis therefore, without heat cracking, 1,000,000,000 more barrels of crude oil would have been used yearly in the United States alone. Besides this, enormous savings result from the improved quality of gasoline and greater mileage per gallon.

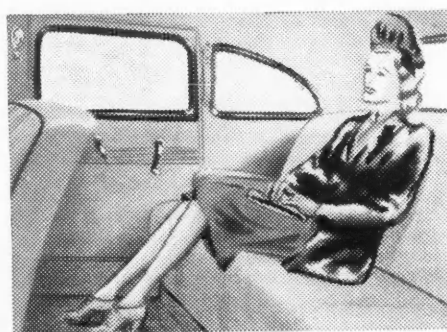
The next article of this series will consider in detail the raw material, butadiene, mentioned here, which is being produced through new oil refining processes, as well as other raw materials and processes for making of synthetic rubber.

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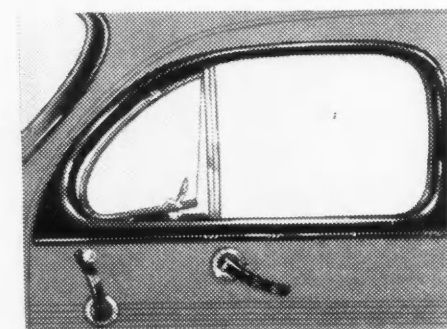


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Hapsburgs Through Seven Centuries

BY HENRY SOMERVILLE

"WHO would have thought a year ago that a Hapsburg could hold a meeting like this in Toronto?" The comment was made by a Professor of History after a meeting addressed by the Archduke Felix some weeks ago under the auspices of the Canadian Institute of International Affairs. And now Otto, the head of the House of Hapsburg, is visiting Toronto as part of an extended trip to Canada and the United States for the purpose of studying the working of democratic federal government. There are projects for a democratic federation of Danubian countries, Austria, Hungary and Czechoslovakia, when the power of Nazidom is broken.

Perhaps it requires a Professor of History, in this generation, to appreciate the Hapsburgs. General readers are too much under the influence of events of comparatively recent years. The Austro-Hungarian Empire collapsed in 1918, and it had been declining in prestige from 1866 when it was defeated by Prussia. But what is 1918 or even 1866 to the House of Hapsburg, which was one of the most exalted ruling families in the world from 1273, when Count Rudolf of Hapsburg, to his vast surprise, was elected Head of the Holy Roman Empire of the German Nation?

The original Hapsburg domain was a castle and some land in Switzerland. As all the land could be seen from the castle it was not extensive. Count Rudolf had uncles and cousins with whom he quarreled over property rights. He was an aggressive person, but brave and accomplished, and he achieved a local reputation as being a formidable fighter. Once he was called upon to act as escort over the Alps for the Archbishop-Elector of Mainz, for in those days the passes were beset by robbers.

The Archbishop remembered the dashing knight, Rudolf, and four years later secured his election to the most honored secular office in Christendom. It was the rule at that time, rather than the exception, for a relatively lowly candidate to be elected Emperor, because Prince Electors were afraid of too-powerful candidates who might interfere with them in their own domains.

Thought it a Joke

Rudolf had not expected his good fortune and at the first news thought he was the victim of a practical joke. When he was assured that his election was a fact he acted with decision and policy. At that time it was the usual thing to arrange marriages with political ends in view and all through the ages the Hapsburgs have been famous for their matrimonial diplomacy, so that it became a proverb that what other States could only gain by war Austria gained by marrying. Rudolf had nine children and when he became Emperor he at once married off two of his daughters, one to the Duke of Bavaria and the other to the Duke of Saxony.

The enemy of his election had been Ottocar, King of Bohemia, who had possessed himself of Austria, Styria and Carinthia, provinces that later became the most closely associated with the Hapsburgs. There was no more love between Czechs and Germans in those days than in our own, and German nobles under the rule of the Bohemian Ottocar petitioned Rudolf to liberate them. Rudolf, with a few knights, started from Alsace to Bohemia. On the way a lord who gave him hospitality asked, "Sir, who is your treasurer?" "I have no money," answered Rudolf. "How then will you provide for your army?" "My army has always provided for me," was the reply.

Rudolf defeated Ottocar at Vienna and according to the peace terms the Bohemian king was to give his daughter in marriage to Rudolf's son, to receive the regalia from Rudolf as a sign of submission, and to supply him with three hundred knights with caparisoned horses.

Ottocar had often made merry over Rudolf's poverty and the plain grey jerkin he wore. Though Rudolf was now in a position to wear the most gorgeous of garments he decided to inflict a subtle revenge on Ottocar. When the Bohemian king came with gold-decked robes and royal splendor to receive the regalia he had to kneel at the feet of Rudolf who wore his plain grey jerkin!

On Rudolf's death his son Albert coveted the Imperial crown but by this time the Hapsburg family was too strong to recommend itself to the Prince Electors and they again chose a knight who, though valiant, was poor and little known, Adolphus of

Nassau. War started between Adolphus and Albert, in which the latter killed the former, and the Prince Electors were then prevailed upon to give the Imperial throne to Albert. This was in 1298 and never again did a Hapsburg become Emperor until 1438 when the choice fell upon Albert, Lord of Upper and Lower Austria, King of Bohemia and King of Hungary. The House had grown strong during the centuries and had been able to get the better of its rivals because it was distinguished by its family unity. When Hapsburg brothers were on the thrones of neighboring countries they usually worked together instead of fighting each other, as happened in other ruling families. From this time onwards the Imperial throne was practically always in the possession of the Hapsburgs until the Empire ended, but as it had already ceased to be anything more than a proud name it was the power of the Hapsburgs that gave dignity to the later Empire rather than the Empire that gave power to the Hapsburgs.

Albert II reigned only two years; his successor, Frederick, Duke of Styria, reigned over half a century. He was a foolish and pathetic figure, but his son, Maximilian, married Mary of Burgundy and thus united the Netherlands to the House of Austria. Maximilian's son was married to the daughter of the King of Spain and thus his grandson was the great Charles V who inherited Spain, Austria, the Netherlands, Naples and Sicily. To the half of Europe was added the New World of Mexico and Peru conquered in the names of Charles by Cortez and Pizarro. Charles rode the storm of the Reformation and he saved Christendom, despite its disunity, from the Turks. To his son, Philip II, he left Spain, the Netherlands and a large part of Italy, while his brother Ferdinand succeeded to the Imperial title and to the rulership of Austria, Bohemia and half of Hungary.

Three Divisions

The Hapsburgs were now divided into the Austrian and the Spanish Houses and on the death of Ferdinand and the Austrian House was further divided, one line with Bohemia and Hungary, another with Styria and Carinthia, a third with the Tyrol. The Thirty Years War ruined Germany and the Hapsburg were affected by the general enfeeblement, but they were still the second greatest ruling family in Europe. The greatest was the House of Bourbon, which ruled France, and by the ruin of Germany France had risen to the zenith of its power. The prospect of a Bourbon succeeding a Hapsburg on the Spanish throne led to an alliance of England and Austria against France. Then was fought the War of the Spanish Succession in which the Allies, thanks chiefly to the military genius of Marlborough, humbled the pride of France. So successful were the Allies that England became more afraid of the revived Hapsburgs than of the defeated Bourbons, and the Peace of Utrecht allowed a Bourbon to remain on the Spanish throne, though the two crowns of France and Spain were not to be on the same head. As schoolboys know, the Peace of Utrecht brought very substantial territorial additions to the British Empire. It was about this time also that the Hapsburgs made great progress in their traditional task of pushing back the Turks in South-eastern Europe, especially Hungary, Transylvania and what is now the country of Jugo-Slavia.

A fateful event in Hapsburg history was the accession to the throne in 1740 of Maria Theresa. The danger of greedy neighbors taking advantage of the presumed weakness of a woman ruler to seize portions of the vast Hapsburg domains had been foreseen, and it had been provided against by getting the various sovereigns to swear they recognized and would respect the rights of Maria Theresa. With a cynical insincerity that not even Hitler has surpassed Frederick the Great of Prussia immediately seized Silesia from Maria Theresa and thus started a general scramble by other powers for a share of loot.

Maria Theresa

Let the words of Macaulay tell of Maria Theresa: "Yet was the spirit of the haughty daughter of the Caesars unbroken. Hungary was still hers by an unquestionable title; and although her ancestors had found

Hungary the most mutinous of all their kingdoms, she resolved to trust herself to the fidelity of a people, rude indeed, turbulent and impatient of oppression, but brave, generous and simple-hearted. In the midst of distress and peril she had given birth to a son, afterwards the Emperor Joseph the Second. Scarcely had she risen from her couch, when she hastened to Presburg. There, in sight of an innumerable multitude, she was crowned with the crown and robed with the robe of St. Stephen. No spectator could restrain his tears when the beautiful young mother, still weak from child-bearing, rode, after the fashion of her fathers, up the Mount of Defiance, unsheathed the ancient sword of state, shook it towards north, south, east, and west, and with a glow on her pale face challenged the four corners of the world to dispute her rights and those of her boy. Still more touching was the sight when, a few days later, she came before the estates of her realm, and held up before them the little Archduke in her arms. Then it was that the enthusiasm of Hungary broke forth in the war-cry which soon resounded through Europe, 'Let us die for our King, Maria Theresa!'

To our generation the best known of Hapsburg names is that of Francis Joseph, who reigned from 1848 to 1916, and during that 68 years suffered every misfortune that could afflict a man and a monarch. It was his personality that held together the heterogeneous peoples of the Austro-Hungarian Empire, and when the Austrian Commander-in-Chief heard of the aged Emperor's death he said the war was lost.

The new Emperor, Charles, was the grand-nephew of Francis Joseph, and he made an immediate but abortive effort for peace. The war continued another two years and then Charles asked President Wilson for an armistice, following this up by declaring



ARCHDUKE OTTO

the Hapsburg dominions a federation of free nations, but it was then too late to save the unity of the monarchy, for Poles, Czechs and Southern Slavs were proclaiming their independence.

Charles and his valiant Empress, Zita, with their children, stayed in Austria till March 1919 despite all dangers from Socialist Republicans. In 1929 Charles made a gallant but misguided bid for the throne of Hungary, but he was betrayed by the governing clique which preferred to keep the country in their own hands. Charles died a prisoner and an exile, leaving a widow with seven little children. The Empress Zita has never lost faith in the destiny of her children, and the two sons, Otto and Felix, now on this continent, have been educated for political life. If there is the Danubian federation of Austria, Hungary and Czechoslovakia, which some expect, it is more than possible that its first president will be Otto von Hapsburg.



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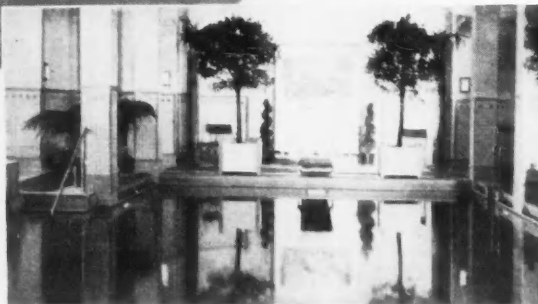
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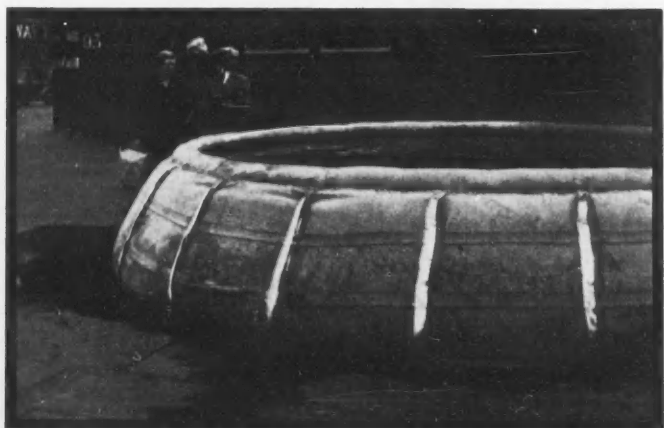
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—Photographs by Robert Meredith.



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History While It's Hot

BY WILLSON WOODSIDE

THE OXFORD PERIODICAL HISTORY OF THE WAR, by Edgar McInnis. No. 1, Background and Origin. No. 2, September to December, 1939. Each 48 pages, illustrated with two sketch maps. 25 cents each.

TO PACK the history of those hectic years between the advent of Hitler to power in Germany and the outbreak of war into 37 pages without missing anything important is at the same time a considerable feat and an important service to teachers, High School and University students and to the general reader. Professor Edgar McInnis of the University of Toronto History staff, and a frequent contributor to these columns, working far closer to events than he would probably care, has achieved in these booklets an admirably balanced estimate of the political, strategic, economical and personal elements involved, and has turned out a good job of journalism into the bargain.

It seems somehow less poignant now than a year ago, when the Munich books came out, to turn back in these pages to the days of might-have-been. One is not so certain that if only this or that had been done by a particular statesman at a particular time the whole thing could have been avoided. Many and complex factors were at work; there was a broad sweep towards tragedy. "When Germany was plunged with the rest of the world into the depression of 1929, the way was paved for the overthrow of Stresemann's policy of moderation and a return to hatred and violence. To anyone who realized the

significance of Hitler's program it must have been clear that the Germany of Hitler would have to be dealt with in a very different way from the Germany of Stresemann. Yet the British Government continued to hope for the best" and "deliberately chose to look on the bright side." "France was involved in political turmoil. Italy's attention had strayed from the Danube and was concentrated on the Mediterranean. So Hitler gambled and won."

The historian has the usual opportunity for "backsight" in judging these events, yet one feels that if one could thumb through Mr. McInnis's diary of the period one would find that he had not had to change his opinion much in his final estimate.

In the second booklet Prof. McInnis takes up a detailed history of the war, dealing with the first four months. He reviews the strategic situation and the economic and military strengths of the various belligerents with facility and accuracy. Before thrusting the reader into the Polish campaign he sketches in the historical background of the Polish people and the Pilsudski post-war policy. ("The Poles as a nation had long been used to living dangerously"). Two and a half pages cover the activity—or inactivity—on the Western Front, while the war at sea comes in for eight. A section on Economic Warfare and the Neutrals makes topical reading today. The book concludes with "The Advance of Russia" and the beginning of the Finnish War. Each booklet is embel-



KIPLING'S HOME FOR ENGLAND. Rudyard Kipling's house and estate, shown above, have been turned over to the National Trust by his widow. The library was pictured in these columns several weeks ago.

lished with two sketch maps—rather too sketchy—and half a dozen pages of documentary appendix, excerpts from the main treaties and speeches of the period.

Southern Style

BY JOSEPHINE LE PAN

SHOW ME A LAND, by Clark McMeekin. Ryerson. \$2.50.

PITY them...those who wish to write novels about the "South". In the brash of criticism they are bound to be confronted with sharp-needed comparisons with "Gone With The Wind". That is, if they follow the romantic tradition, and "Show Me a Land" does. One can not read it without at least a thought for the Brontës and their line. Peppered, spiced and curried with incident, this

is a fast moving story skilfully told. But beside Margaret Mitchell's highly publicized novel it pales. It is neither as convincing nor as dramatic.

Without preliminary antics the main plot begins when the attractive, high-spirited Virginian, Dana Terraine, meets the dynamic Irishman, Rike Galphine, at an English fair where her father, Squire Terraine, is buying horses for the stables of his Virginia estate, "Greatways". The love between these two, unpredictable but unfading, is the theme of the book for the rest of its amazing course.

Separated by a wreck as they are nearing the shores of Virginia, both are miraculously saved... Rike a little too miraculously to convince most readers. Squire Terraine loses "Greatways" in a fabulous bet. Dana marries Eben Coates, a stern, sympathetic Calvinist minister who had also been a passenger on the ill-fated "Tempora". There is the trek to Kentucky. In '33 the Cholera Plague strikes the Bluegrass, conveniently removing Eben. But inconveniently Rike now decides to marry a fussy old maid, ten years his senior, Miss Hixie Bisbee. This ill-advised device for further deferring the reunion of the lovers involves a character manipulation which all but crashes the dynamic personality of the hero.

Although the characterization is not faultless, it is sturdy. The main figures are full-fledged and real. Their inter-relation is convincing. There is conflict; conflict which provides tension but never tragedy.

The subsidiary plot involving the gypsy, Chamie, is a lively foil for the main theme. In fact the whole background, gypsies, negroes, and the persistent horse-racing theme give body and flavor to the exciting, well-managed plot.

Lifelike Scene

BY MARY DALE MUIR

PORTRAIT OF ANGELA, by Elizabeth Cambridge. Jonathan Cape. \$2.50.

THE serpent in the garden of Eden was no more disturbing than David Knight in the household of Constance and on the islands of Saintes Maries. His communistic ideas were to Constance a totally incomprehensible heresy as was also his desire to become an artist when the family estates were his for the taking. Sown in the minds of the natives these communistic ideas grew until the practice of them on the islands seemed to offer them their only hope of deliverance.

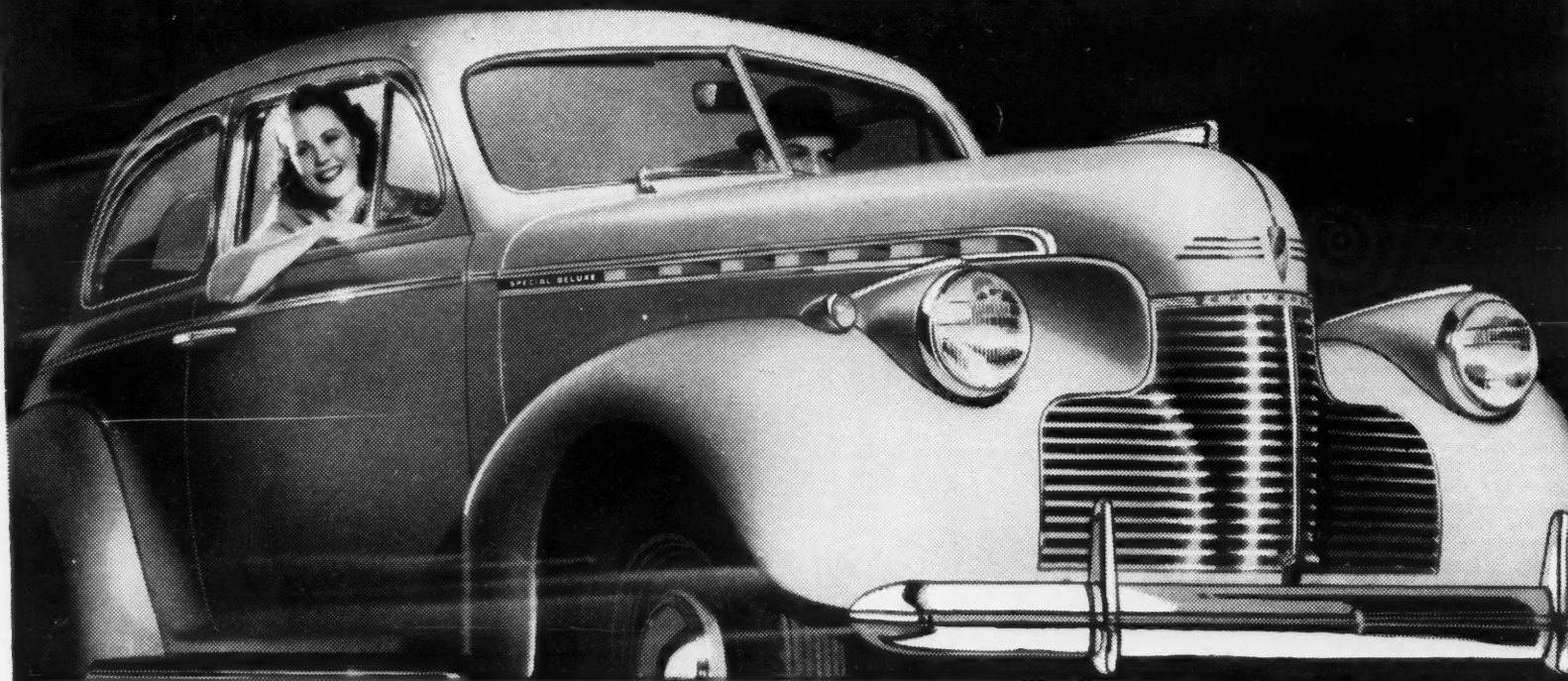
"Portrait of Angela" by Elizabeth Cambridge is a sympathetic study of David through his childhood in Saintes Maries, his youth in an English Public School, his return to the islands as a young man, his future wanderings, both mental and physical, until he is accidentally shot down as one of the instigators of a riot. The story is told by Angela, David's cousin, who had come out from England as a girl to look after David and his brother. Later as the widow of Paul Dufresne, planter, she takes a great interest in the up-bringing of them as well as of her own children. Angela's intent in telling the story is to explain David and to clear his name.

"Portrait of Angela" is a story of people we all know—a story of fearless, idealistic youth thwarted and antagonized by conservative elders—a story in which the author with great skill involves our sympathies on both sides at the same moment. It is the old tragedy of the traditionally-right, self-sacrificing parent unable to cope with a totally unexpected development in her son—of circumstances over a period of years proving too much even for the son's determined resistance and then, when he had achieved some degree of self-realization, and recognition was within his grasp, his youthful, misunderstood ravings rose up and blotted him out. The West Indies is a new setting for an Elizabeth Cambridge novel but, in the person of Angela, she successfully evokes a lifelike scene in which the clashes of personality and mind have all the force of realism.

BOOK SERVICE

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THE BOOKSHELF

Jap Battle Diary

BY W. S. MILNE

WAR AND SOLDIER, by Ashihei Hino. McClelland and Stewart. \$2.75.

ASHIHEI HINO is considered one of the outstanding novelists of modern Japan. At present he is on active service in China, where he has been since 1937. "War and Soldier" is not really a novel. It is a day by day record, in the form of diary and letters home, of a sergeant in the Japanese army invading China. It lacks any formal structure, the incidents following each other like garments on a line of washing, with the inevitable duplications and repetitions of such an arrangement. We get glimpses of half-understood operations, and before the objective is explained, the writer is shifted to something else again. There is no sense of climax. Characters come and go. We become interested in some individual problem, only to be carried in a lorry to some other portion of the front before we learn the outcome. The book is in four sections. The first deals with the landing amid the marshes before Hangchow, in the autumn of 1937. Then we pass a few months in the town of Hangchow itself, where several threads of a story seem to develop. But before one can learn what happens to whom, the sergeant starts out on a mopping-up expedition. We next meet with him attached to a press unit a month later, marching from the south against Hsuehchow. This section contains the story of the siege of Sunkan castle in May, 1938. The fourth section deals with the capture of Canton that autumn.

In spite of the fragmentary and repetitive nature of his narrative, the author gives a rather fascinating picture of what is presumably the typical Japanese soldier. He reveals a sort of innocence, a childlike immediacy of response to external stimuli, an easy sentimentalism, an extraordinary capacity for astonishment, again childlike, and a rather touching



MALTON SEES ITS FUTURE. Little more today than a cross-road group of stores and cottages, it has already been provided, by some airman from the neighboring airport, with street signs that indicate its metropolitan destiny.

—Staff Photograph

appreciation of natural beauty. The men quote poetry to each other, and weep over their comrades' heroism. They marvel that the Chinese look so like the Japanese, and are amazed that all China does not realize the boon Japanese occupancy of the coastal regions will be to the whole country. The Chinese are depicted for the most part as acquiescent or

actively co-operative. Chinese military operations are discounted, and the author insists that many Chinese are fighting against their will. The strategy of the Chinese staff in continually retreating, drawing the Japanese farther from their coast bases and destroying food supplies as they go, so that the Japanese lines of communication are strained to breaking point, and the troops are in a continuous state of semi-starvation, is never referred to by the author. It never seems to have occurred to him. On the whole, the impression left by the book is that the Japanese soldier is a pleasant, kindly, childlike being, loving his country, devoted to his family, trusting and admiring his officers.

The conversation — the translator may be responsible for this — is stilted and uncolloquial throughout. There is a total absence of profanity and bawdiness, and this absence makes the soldiers seem rather unreal to Western readers. There is, at times, a certain naive cloacal preoccupation, but it is introduced naturally, as a child might do. The grousing and "Oh, oh, oh! It's a lovely war!" spirit are completely lacking. Instead, the soldiers sing songs about comradeship and love of country, and recite sentimental poems about the beauty of the plum blossom. Old Bill would not be at home with the Japanese army.

BOOK OF THE WEEK

Negro Crime and Punishment

BY MORLEY CALLAGHAN

NATIVE SON, by Richard Wright. Mussion. \$2.50.

THIS extraordinary and powerful novel by the negro writer, Richard Wright, is one of the most important novels that have come along in some time. Its first and obvious claim to importance is that it states so vividly the human condition of the Negro in the United States: not just his economic condition, but what it has done to his mind and why it so often makes him long to resist violently with a crime of passion. In this way the book is a tremendous widening of reality for the white American citizen. It ought to be pretty hard for you or me to look upon the face of a Negro again and think of him in terms of "Old Black Joe," or Al Jolson down on both knees singing "Mammy" songs.

Its second claim to importance is that what Richard Wright has to say in justification of his Negro murderer, in short, what he has to say about life itself, is about the most eloquent statement of the economic materialist point of view that has been made holdily and directly by any American writer in years. Hundreds of strike novels, and short stories by proletarian writers have been written in the last ten years out of this way of looking at life. John Steinbeck has the same point of view in "The Grapes of Wrath." In "The American Tragedy" Dreiser was saying the same thing, but saying it from the old liberal point of view. It may, indeed, be a weakness of "Native Son," that Richard Wright, at the Negro boy's trial has the lawyer, Max, make this long and special plea out of this vision of life, whereas Dreiser, in "The American Tragedy" let it filter through the story more indirectly, but it certainly throws such an interpretation of human life in sharp focus for the reader.

THE material that Wright is dealing with is the life of a Negro boy in a big city, living in a Negro slum, with the disposition of a rat and a lust for violence, who goes to the electric chair when he kills the daughter of the white and wealthy citizen who has employed him as a chauffeur in his home. It was an accidental killing. The girl, Mary Dalton, is a flighty young Negrophile, very much under the influence of a young communist, Jan, who, of course, has the party attitude toward the Negro, and feels bound to fraternize with the Negro boy, Bigger. Because Bigger, to him, as a good party man, is a symbol of oppressed people all over the world. Bigger did not intend to kill Mary Dalton: he was only taking her to her room after a night out drinking with her and her friend, Jan. While he was in the room the girl's mother, who was blind, walked in, and Bigger, knowing what it meant to him, a

Negro, to be found in the girl's room, put a pillow over her head to prevent her making any drunken and sleepy cry. In his excitement he smothered the girl. He knows he will be accused of raping her. In fact he had played with idea a little, so he takes her down to the furnace and burns her body.

When the crime is discovered he is on the run, taking with him his Negro girl, Bessie, and hiding in old abandoned slum tenements. He kills Bessie, because he feels she will betray him, then he takes to the roof and is caught in a wild chase, and brought to trial. An ambitious attorney, seeking only notoriety, and with no desire to understand anything, whips up the fury of the mob. Bigger is defended by the communist lawyer, Max, who wants to understand him and present the background and the tragedy of all Negro boys like Bigger to the court and the American people.

THERE is the material, and Wright's treatment of it is powerful, unswerving and relentless. He shows the mean life of the boy, his brutal instincts. The very opening chapter in which Bigger kills a rat in the family room is simply masterly as a piece of writing. The narrative races along, speeded up by a trenchant dialogue and it is hard to put the book down. The violence mounts: the feeling of the Negro for the white begins to loom up horribly. You seem to be looking not just at one Negro boy, but all Negroes who have been warped and twisted out of all recognition as human beings by the ruthless exploitation of the noble white man. In short, as narrative loaded with suspense and excitement the book has everything you could ask of it.

But looking back on it now I have to ask myself why the book didn't move me more. Why was it so gripping and not really moving until the very very end? In the main, I think, because of the treatment of the killing of Bigger's own girl. It is not enough to say he had to do it. The author never seems to face that killing. Bigger is never really sorry for it; in his long plea at the end, Max, the lawyer, really does nothing with it. Yet for me the Negro girl's flight with Bigger was the most moving thing in the book.

It is right there that it becomes apparent that the economic materialist vision of the world out of which this book is written is not enough to create great tragedy. It leaves out a sense of any moral individual tragedy. What you get instead is a general economic tragedy, a social condition; it leaves great and rich depths of the human spirit utterly unexplored. That was what Dostoevsky knew so magnificently when he wrote "Crime and Punishment."

Trouble Backstage



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THE MAID: (sometime later) Madame is happy to have her picture in the papers now. THE STAR: Thanks to you, Marie, and your wonderful KELLOGG'S ALL-BRAN.

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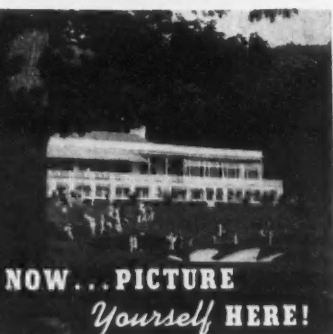
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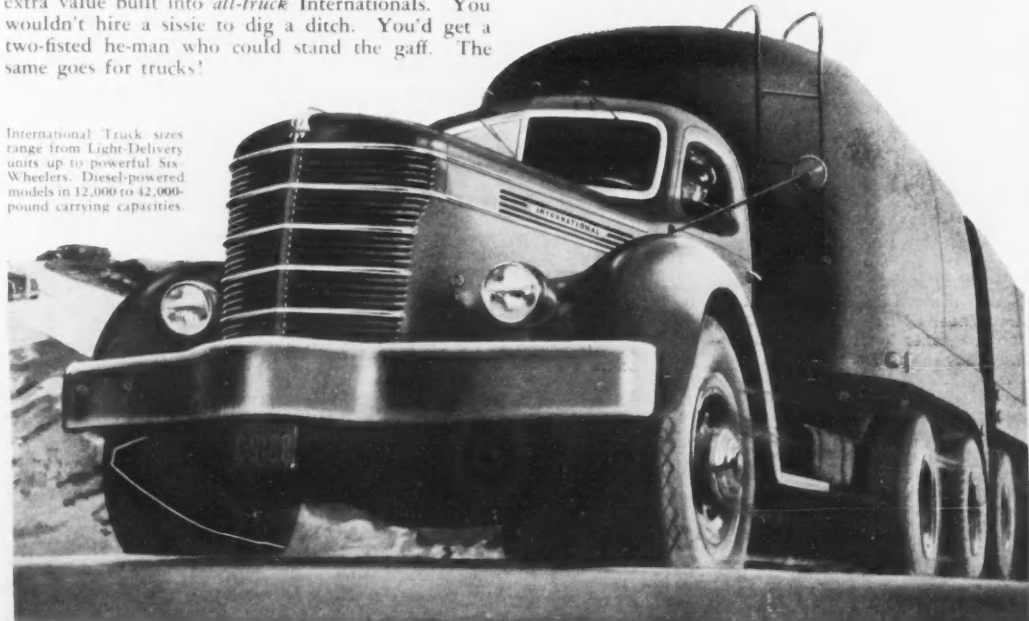
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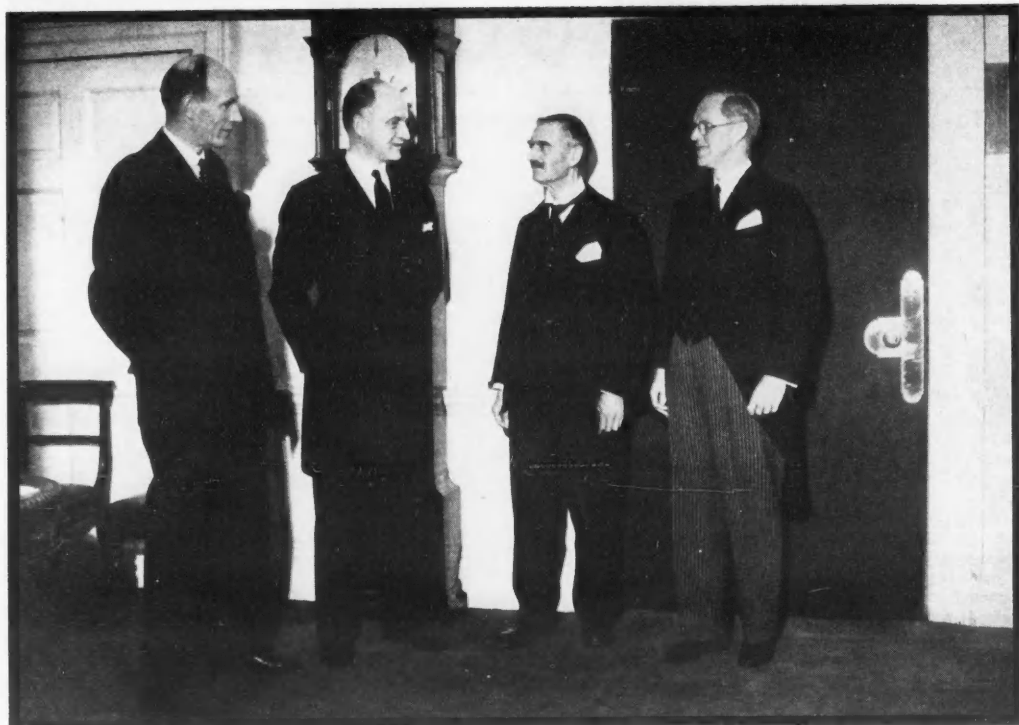


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THE LONDON LETTER

The Golden Bullets Are Important

March 11th, 1940.

BY P.O'D.

ONE of the things that must cause cold shudders to travel up and down the spines of Nazi supermen, and chilly perspiration to bedew the Nordic brow, is the ease with which the British Government seems to raise the immense sums necessary for the war. And the golden bullets are hardly less important than the other kind.

This week is to see the issue of the Government's new £300,000,000 War Loan. Already it is obvious that, when the lists close on Wednesday, it will be heavily oversubscribed. The only complaint one has heard about it, is that it isn't big enough. Some of the financial critics, in fact, suggest that it should have been twice as big. What's a mere £300,000,000? No doubt, the Government has its own reasons for limiting the new Loan as it has. And, no doubt, there will be other—and perhaps bigger—loans to follow. But the present does seem a very propitious time for such flotations. Public confidence is high, and there is a lot of money waiting to be invested. So at least we are assured, though for a good many of us such a belief must be regarded as an act of faith.

For a year and more before the war there were no new issues of im-

portance. Instead of investing their money, people preferred to put it by until things took a turn one way or the other—almost any turn being better than the continued worry and uncertainty. So, by all the rules, the national sock must be showing a very comfortable bulge just now—to be just about ripe, in fact, for debulging. And debulging it will be—in stages, perhaps, but finally and completely. Of that there is, alas, no doubt, no possible doubt whatever.

Sharing the Meat

Meat-rationing begins today. That sort of thing always sounds rather grim, but, except for the nuisance of another lot of little coupons to fuss with, there seems to be as yet no reason why it should make any serious difference to the nation's diet. We shall probably all go on eating very much as before—though we may have to make do at times with something else than our favorite cuts or joints.

The chief reason for rationing, the authorities assure us, is to achieve better distribution. There is plenty of meat in the country, they say—even a surplus of mutton—but the problem is to see that every district gets its fair share, and no more than its fair share. Rationing makes it possible to do this with scientific precision, as the butchers will get their supplies on the number of their registered customers, and the customers on the number of their coupons. And every coupon will be honored.

Such is the theory of the business, and such the solemn promise of the authorities. Probably it will, in the main, be carried out. But the first essential for distributing meat is that there should be meat to distribute—a matter that may not always be under official control. Fortunately, there is at present no particular reason to worry about that.

A Great Librarian

Even to bookish people—perhaps I should say, especially to bookish people—the average public library is rather a dull place. There is too much system about it. You can't get comfortably and freely at the books. And the average librarian is too often a bored and unhelpful person, who hands out a book with about as much interest as a grocer handing out a pound of cheese. Not that I blame them, considering what they are generally asked for!

But there are libraries and librarians, just as there are librarians and librarians. The London Library, in St. James's Square, is one of the most interesting and inviting libraries in the world, though not by any means one of the largest. And its librarian, Sir Charles Hagberg Wright, who died last week in London at the age of 77, was a really great librarian, a scholar and writer, with an immense knowledge of books and of life. He was, in the fullest and finest sense, a bookman. And he had been Librarian of the London Library for 47 years. He made it what it is today.

It is just one 100 years ago that Thomas Carlyle and certain other eminent literary persons of the time decided to establish a library for serious readers, especially for scholars and writers engaged in necessary research. That was the beginning of the London Library, which was founded in 1841. The cherished wish of its librarian was to live to see the centennial celebration, but fate decided otherwise.

The London Library is a worker's library—not at all the sort of place to which you would go for the newest best-seller. Of its 400,000 or so vol-

umes, most are serious in character. But the great charm and usefulness of the place is that you can consult them as you please. And, if you wish to take some of them away, you can take, not the one or two volumes that ordinary libraries permit, but a dozen at a time.

Naturally such a library could not be thrown wide open to the public. Its members—there are some 4,400 of them—are appointed on the recommendation of existing members. And they pay an annual subscription of Three Guineas a year. But what an amazing lot they get for their money—or can if they wish! There is no other library in London that gives so much in so comfortable a way. It is a unique institution.

Such a library should have a remarkable person as Librarian, and Sir Charles was all of that—a strikingly handsome old man, with snow-white hair and moustache, who always wore a velvet jacket during his working hours. It was the perfect Victorian touch, and he had the sort of old-fashioned courtesy of manner that goes with it. His portrait by Orpen hangs in the Library's reading room. It is a striking work.

As to his encyclopaedic knowledge, he was educated in Russia, France, Germany, and Ireland, travelled widely, had a thorough knowledge of half a dozen European languages, was the friend and translator of Tolstoy, and was an acknowledged expert on an amazing number of subjects—besides knowing as much about books in general as one man could very well know. Few libraries have had such a librarian.

Official War Artists

With the countless thousands of photographs of military and naval and air activities that are constantly being poured out, one might well think of this as a camera war, so far as its pictorial recording is concerned. But the War Office is not neglecting the more artistic side of the task, and last week the names of three eminent painters were given out as having accepted appointments as official war artists.

One of them is R. G. Eves, R.A., the distinguished and successful portrait-painter, whose job, I take it, will be to immortalize—or at least record for posterity—the martial and impressive countenances of our Army leaders. The other two are Edward Bawden and Barnett Freedman.

A further offer of such an appointment has been made to Edward Ardizzone, who is now actually serving as a soldier. He may accept, or he may decide that he can do more useful work where he is—even more useful painting.

Somewhat or other one is always a little chilled by the idea of official art. There is no real reason why it shouldn't be good art, even great art, but as a matter of fact it generally isn't. Too much responsibility, I suppose. Responsibility and art don't seem to go very well together.

Neither is one very much reassured by the statement that these appointed artists are to rank as Official Correspondents. We all know what military supervision has done to the work of war-correspondents, who might as well have their stuff handed out to them, for all the enterprise they are allowed to show.

Still, I suppose, we couldn't have correspondents running about loose in the war reporting what they please. Neither, I suppose, can we have artists going about painting and drawing what they please. And yet that does appear to be the only way in which we shall get any art that is worth while—certainly anything that will be worth a hoot fifty years from now.

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SATURDAY NIGHT, TORONTO, CANADA, APRIL 6, 1940

P. M. Richards,
Financial Editor

Passing Laws Won't Stop Inflation

BY H. F. NICHOLSON

This article is an attempt to reduce the talk about inflation to a form understandable by the ordinary non-technical citizen.

The author concludes that we are in grave danger of inflation in Canada. We have built, he says, a system of wasteful public expenditures, which even before the war was endangering the stability of the value of our money.

If now, with the costs of the war added, we are to avoid a grave inflationary panic, we have got to throw overboard all the comforting theories of those who discuss the monetary economics of a country as purely mechanical phenomena, and all the equally futile hopes of those who think that you can prevent inflation by passing laws and establishing boards at Ottawa.

NO ONE mentions the depression nowadays. Whether this is because we are supposed to have achieved recovery or because there is a war on, each must decide for himself.

There was a depression, however, a few years ago, and, in the depths of it men began to consider many devices for ending it—none of which seemed to work. Not a few of these devices were either deliberately employed with the idea of creating an inflationary boom, or were alleged by their critics to be of such a nature that an inflationary panic would automatically result.

Note the distinction between the inflationary boom and the inflationary panic. One results from optimistic enthusiasm, and the other from pessimistic fear. One assumes that the money value of property will rise. The other assumes that the commodity value of money will fall. The distinction may not seem important, and, in final results, either kind of inflation may produce the same effect, but not necessarily.

In the United States in particular, and in Canada to a lesser degree, the theory of the inflationary boom became quite well established, but, as time went on, and it did not appear, the fear of an inflationary panic became fairly general. Up to the moment, however, neither boom nor panic has developed.

Pump-Priming

At present, we are being fed, very regularly, an explanation of this phenomenon. It originates with those who have consistently preached the "pump-priming" theory of public expenditures. They started, when the depression threw millions of workers out of employment, with the very simple and superficially logical suggestion that, since private enterprise was no longer able—at the moment at any rate—to furnish employment for a large number of former workers, the state must step in, and absorb them into its temporary service. They could be put to build public works, or they could be put to raking leaves. The important thing was that they could be kept at work until the revival of private enterprise absorbed their services.

It went unnoticed—in those grand days of bright ideas—that the very people who were recommending this course of policy were, in the great majority of cases, exactly the sort of people who were both prophesying and advocating the end of the period of private enterprise. The scientific socialist might not openly suggest "pump-priming," but he was, peculiarly enough, always to be found approving of it. Despite this peculiarity, the plan persisted for some time.

Unfortunately, the spectacle of the enormous increase in the public debt which resulted from the attempt of the state to gather into its service all those who became unemployed was so alarming that the net result of "pump-priming" was to lessen the activities of private enterprise, and reduce the resulting employment, more than enough to compensate for the added employment furnished by the state. Unemployment figures continued to rise until direct relief very largely took the place of "pump-priming."

Then, Direct Relief

Then the increase in public debt was less rapid—since it cost the state a great deal less to pay a subsistence wage than to provide with full employment, including the materials and plant with which to work.

It is for this reason that recovery was more rapidly apparent in Canada than in the United States. We substituted direct relief for "pump-priming" more rapidly.

In both Canada and the United States, however, we continued along the line of state expenditures to act as a substitute for employment by private enterprise, and, in both countries, our public expenditures continued to rise, and the public debt to increase, until fear of inflationary results generally outweighed hope of the benefits of inflation.

Now in Canada we have, super-

imposed upon this, the great cost of a war. Very wisely, our minds and hearts are set against inflation. We do not propose to see the crusade for liberty turned into a dervish dance of profiteers; to see prices and wages race each other up; to face the extinction of the value of all saved wealth.

No Escape by Denial

Unfortunately, only too many commentators assume that we can avoid inflation by denying the danger of it. They argue, for example, that public expenditures will not produce inflation until all idle labor has been absorbed and the output of money continues after the output of goods ceases to increase.

This theory reflects the illusion that the economic system is a machine, and that economic consequences can be forecast by the application of rigid rules.

The economic machine, in the case of Canada, actually consists of some 11,000,000 people, and one of the lessons of history is that millions of people will not follow rules laid down for them by theorists. The public psychology is to be reckoned with, as a very necessary part of the national economy.

Perhaps the best single example of the mechanical theory of monetary economics is Mr. J. M. Macdonnell's kindly suggestion that the inflationary effect of public expenditure can be prevented by forcing those who receive increased income, as a result of the war expenditures of the state, to place the increase in some form of savings certificate, which represents money



CAREFUL, BROTHER, THERE'S NOTHING TO STOP YOU NOW

which cannot be spent now, but only after peace is restored.

I am not quite sure that Mr. Keynes knows, any better than I do, how he is to tell when peace has been restored, but, even if we waive that objection, I am afraid that the Keynes compulsory savings scheme would not work. If a man wants to spend the money which he is earning he will find a way of doing it. There are few workers who do not have some little margin of savings, for example, in their present income. If a man is getting £2 a week, and you raise his wages 10s., but tell him that he must save the 10s. by law, then it is highly probable that, with this little nest egg in the bank each week, he will cease to save the 5s. or 10s. that he is now saving, and that he will even dig into the savings which he has already made. I may be more unwise than anyone else, but I am quite sure that, if someone would now guarantee me \$10,000, or \$50,000, payable to myself or my estate ten years from today, as a bonus, I should at once proceed to cut down my current savings, and

probably dig into the few dollars which I have already saved.

Or take another example of the total neglect of the psychological factor in monetary economics: As I have just said, we are told that inflationary effects will not show themselves as a result of public expenditures, until everyone has been put to work. Surely there must be some limit to this statement. Suppose the state, for example, were to undertake to pay everyone in its employ the minimum of \$10.00 a day. Is it really a fact that we should have to wait until everyone is put to work before prices would begin to rise and we should have an inflationary boom? Even if 10% of the population were still out of work, I am confident that, in such circumstances, we should have a first-class case of inflation.

Policing Ineffectual

There is very grave danger of inflation indeed. German experience, Japanese experience, and common sense (Continued on Page 13)

Effectiveness of The Bank of Canada

BY R. M. COPER

Among the many popular fallacies concerning economic affairs the first place is probably held by the belief that central banks are the key to all troubles. This is not true. But central banks can certainly exercise a great influence on their countries' well-being.

Canada's Bank is discussed in the following article with special regard to the effectiveness of its past, present, and probable future influence on this country's business trend.

Prof. A. F. W. Plumptre of the University of Toronto has just published an admirable book part of which deals with the same subject. It is called "Central Banking in the British Dominions". (University of Toronto Press; price \$4.)

MANY countries established central banks as late as in the thirties, among them Canada. Although this implies that countries can live, and live more or less independently, without such institutions, it is also true that the creation of central banks put the seal to the complete sovereignty of the Dominions.

This consideration did, however, not weigh heavily among the immediate causes which brought the Dominion central banks into existence. But there were certain other political considerations, different in every case. And, once in existence, the central banks became the objectives of political struggles.

We shall confine ourselves here chiefly to details concerning the Bank of Canada, the youngest Dominion central bank. The oldest is the South African Reserve Bank. Apart from this outward difference the two are opposites in every other respect, too. The South African bank has to this day, on account of the general financial and economic structure of its country, remained the least influential; and the Canadian bank has become in a way the most effective.

This country's institution has acquired a position which will enable it to exercise a strong influence on the adjustments which will be necessary after the war; but its South African sister bank will not be able to guide effectively a development which will confront its country with problems infinitely more grave than those which will confront us here, grave enough though our problems will be, too.

Ultimate Aims

The influence which central banks can exercise on a national economy can make itself felt in so many spheres that they could hardly even be mentioned in an article. We shall, therefore, speak only of that part of a central bank's policy which works towards ultimate social and economic aims, outstanding among which is, of course, the problem of unemployment. And, as we said before, we shall confine ourselves above all to Canada and her Bank.

In doing so we will let ourselves be guided mainly by a book which has just appeared under the title "Central Banking in the British Dominions." Its author is Mr. A. F. W. Plumptre, Professor of Political Economy in the University of Toronto. The book is admirable in plan and execution, in detail and in toto. Its theoretical and practical treatment of the relevant problems is most comprehensive.

Its merit is the greater as the literature on the subject is strangely scant and mostly limited to individual central banks, or to individual aspects of central banking. Other works are too old, although a few were written less than ten years ago. This quick obsolescence is naturally inherent in the rapid changes which necessity, and with it new experience, has brought about since the World War, and especially during the last decade.

Unfortunately, if we think of what central banks will most probably look like in a perhaps not very distant future, Mr. Plumptre's book will undoubtedly also feel some effects of the storm. But it appeared just at the end of an important era in central banking, and it contains all that was of interest in and to that era. It will therefore probably be looked upon for a long time as a source of most complete information by those whose work requires them to know not only the problems themselves, but also the development of the problems.

Policy the Determinant

It is doubtful (but does not matter much) if the book is accessible to the understanding of the far too many who have the faith that central banks can remove mountains. Many of them seem, in any case, to be satisfied if their clamoring for nationalization of the central bank has the effect that by legislation its dividends flow into the tills of the state instead of into private pockets.

They cannot see that the influence of a central bank lies in its policy, and not in its ownership. True, in a given structure of society the policy of a state-owned central bank will normally be more socially orientated than that of a privately-owned central bank. But no matter what the ownership is, on the whole it is safe to say, like state like bank.

Many world improvers, and this applies by no means only to common cranks, would have saved themselves and others a great deal of trouble if they had at least tried to understand what a central bank is, and what it can do. For instance, in Germany alone, during the years from 1930 to 1933, there were thirty-five thousand papers on currency submitted to banks and government departments whose authors believed that their ideas would solve all troubles. At that time I had, in the course of my duty, to examine a number of them. The main conclusion I arrived at, was that psychologists should do this job for us hapless economists. However, this is not the only point where they let us down, especially there and then. But this is another story.

And "now for sterner stuff!", as Mr. Plumptre concludes the preface to his work.

Government-Owned

The Bank of Canada opened for business on March 11, 1935, just five years ago. Restrictions with regard to the number of shares which any individual was allowed to hold were thought adequate to prevent any domination by a Money Monopoly, or by the State. The directors were to be elected by the shareholders.

Not long after its creation the Bank became a political objective in an election campaign. A plank in the platform of the present Administration was the nationalization of the Bank. This was carried out by the issue of \$5.1 million class B shares in addition to the existing \$5 million A shares. The B shares were taken over by the government which held thus the majority of the capital. A number of government-appointed directors were added to the Board, so as to make the government's influence also active.

In 1938 all private shareholders were bought out by the State, which is now the only shareholder. The capital was reduced to \$5 million. Concludes Mr. Plumptre: "Apart from changes in capitalization, ownership, and direction, the position of the Bank was left almost unaltered."

Since its foundation in 1921 the South African Reserve Bank has not found it possible to obtain a hold on its country's money and capital markets. If any, it has, until the outbreak of war, had in its portfolio only a negligible proportion of the circulating commercial bills. Treasury bills have no market at all; they are usually kept until maturity by the original purchasers. Open market operations could not succeed for various reasons. There is no bond market in the Union, and consequently the commercial banks keep a considerable part of their liquid resources in London. In recent years institutional investors, such as commercial banks and life insurance companies, found difficulties in investing their funds because the budgetary position of the country was so unfavorable that the government redeemed rather than contracted debts. The situation was somewhat alleviated when the government redeemed debt in London, and floated issues in South Africa.

Market Influences

A similar fate was predicted for the Bank of Canada. But it did not materialize, chiefly, of course, because there is a broad bond market in this country. However, as Mr. Plumptre in fairness to them points out, the pessimists were confounded because the market in government securities has altered in various respects.

In 1930 the Canadian chartered banks held 447 million dollars of (Continued on Page 15)

THE BUSINESS FRONT

State Socialism?

BY P. M. RICHARDS

IF CANADIAN business doesn't want to be saddled with State socialism after the war, it had better get busy now and attempt to work out solutions for the problems of post-war unemployment and social reconstruction. So said J. M. Macdonnell, K.C., general manager of the National Trust Company, in a speech to the Empire Club of Toronto last week. The general feeling among his hearers was that Mr. Macdonnell talked turkey.

Mr. Macdonnell said that though war, for the time being, is helping to solve some of the problems faced by business in recent years, business men should not overlook the fact that such relief is only temporary and that at the end of the war these problems will be back on their doorstep in worse form than ever. "Will soldiers who have been paid, clothed and fed in the army be willing to be demobilized back to the relief rolls?" he asked.

He suggested that plans could be worked out now for such things as large-scale forest conservation, a far-reaching housing scheme, and similar productive enterprises of general benefit, and that private enterprise had better undertake the job now if it doesn't want to see the government doing it later on with all the concomitant dangers of socialism.

To which this column says "Bravo, Mr. Macdonnell". Certainly it's time that somebody stirred up Canadian business to face the realities of today. Canadian business is great at "carrying on," under the difficulties of war as of peace, but more than that is called for now. Canadian business needs to show some initiative. Mr. Macdonnell pointed to this need. But it seemed to this listener that he did not go far enough.

Vital Difference

He omitted, for instance, to point out that a government is in a very different position to private enterprise in regard to the undertaking of such things as forest conservation, slum replacement and housing schemes. And that difference—the essential difference—lies in the fact that, in the one case, any financial losses incurred are paid not by the government but by the taxpayers, while, in the other, private enterprise has to stand the shot itself. And if, in the second case, the losses are heavy enough, private enterprise is put out of business. Thus the financial considerations in any such scheme are a matter of life or death to private enterprise, which they are not to the government.

Yet only private enterprise, and not the govern-

ment, can effectively carry out the task pointed to by Mr. Macdonnell, for this reason: that a great deal of money will be needed, and the government has no money other than that which it takes from the taxpayers, so that any money spent by the government for post-war rehabilitation must represent no more than a diversion of part of the national income from one group of hands to another, and from one kind of spending to another, whereas the real need is to increase the national income.

An important point commonly overlooked is that no matter how hugely a government spends to relieve unemployment (as the Roosevelt government did in recent years, for example), such spending is no more than a fleabite in comparison with the fluctuations in spending by private enterprise in times of business prosperity and depression. And government spending adds to the national debt; private spending does not.

The Only Real Solution

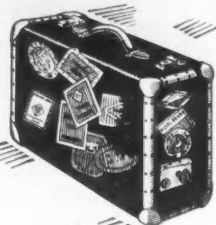
Obviously our national income is not large enough now, and has not been for years, to provide for the nation's needs. So even though we admit that the present income is inequitably distributed, it is clearly no solution to take from one to give to another, since there is not enough in the first place; we must rather work to increase the national income. And that means to increase production.

We have all the essentials at hand for this—ample capital and credit, idle labor (despite the war), abundant need for goods and services. All the essentials but one, that is. The lack is business confidence. Owners of capital are doubtful that they can employ their money profitably.

Why are they doubtful? Because of the existence of all sorts of burdens and restrictions on business, of "rigidities" (business-made, it must be admitted, as well as government-made), which makes it difficult to operate and get a worthwhile return. Prices and wages and working conditions are controlled, taxes are heavy. The possibility of profit is small; the risk of loss great. Why take a chance?

Yet "taking a chance" must be made attractive again before business and the nation can be prosperous. This is the real, the great need. Mr. Macdonnell's suggestions are admirable, but do not go far enough. Yet, as he has told us, the situation is a grave one and must be grappled with, if we do not want to be overwhelmed by it later on.





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GOLD & DROSS

It is recommended that answers to inquiries in this department be read in conjunction with the Business and Market Forecast.

FLEET AIRCRAFT

Editor, Gold & Dross:

Will you let me have your comment on the outlook and current position of Fleet Aircraft Ltd.? Would this be a buy at present prices?

—T. D. W., Edmonton, Alta.

I think that the stock of Fleet Aircraft Ltd. is a speculation on the extent to which the company will benefit from war orders.

Already Fleet Aircraft, which holds one-sixth interest in Canadian Associated Aircraft, has received substantial government orders. Late in February, 1940, an order for 404 trainers was received, and one-third of these machines in spare parts, which may be regarded as the equivalent of a further 100 trainers. The company will, I understand, turn out 6 machines a week, and has facilities to turn out more if required to do so. The contract for the planes amounted to \$2,000,000. The company has also received an order to make some of the parts in a \$30,000,000 aircraft order placed with Canadian Associated Aircraft by the British government. In addition to the substantial order mentioned, Fleet Aircraft is building and testing a new low-wing monoplane, known as the Advance Trainer. As this plane has been designed with the knowledge of what the Royal Canadian Air Force requires in its training program, it would seem probable that the Fleet Company will get a contract. I understand that, running 24-hours a day without plant additions, but with outside factories supplementing production in the manufacture of wings, production could be stepped up to 3 Fleet primary trainers and one Advance Trainer per day.

MAGNET CONSOLIDATED

Editor, Gold & Dross:

Will you kindly advise me as to the future of Magnet Consolidated? Is it good for a long hold?

—K. V. C., Hamilton, Ont.

I regard the future of Magnet Consolidated as promising and if the two new levels being opened continue to show the improvement apparent on the fifth level, at 780 feet, the outlook will be much more favorable. The balance of the loan has been paid off and a cash position is being built up which should mean declaration of the initial dividend in the not far distant future.

While not a large mine from the tonnage point of view, Magnet is realizing excellent profits as a result of the high grade ore being milled. Recovery in January was at a new peak of \$32.71 per ton. Millheads, however, are likely to decline as operations become more settled for the average grade of the mine is estimated as under \$25, with gold at \$38.50.

GALLOWAY

Editor, Gold & Dross:

Can you tell me if Galloway Gordon Lake Mines has outlived a sufficient tonnage of ore to make it apparent it will be a mine, and if so is the ore of such good grade as to make it a profitable operation? The shares seem cheap if it is really the prospect it is recommended to be.

—P. F. E., Halifax, N.S.

Galloway Gordon Lake can only be described as an interesting prospect as yet. Three veins have been exposed for a total length of 1 1/4 miles by a series of test pits and diamond drilling on the property in the Yellowknife area but depth possibilities remain to be determined. A shaft has been put down 35 feet and it was planned to establish a level at 70 feet and cross-cut to the vein. The company planned installation of a small mill to treat high grade ore if sufficient was disclosed, but work here has been discontinued until financing conditions improve.

The company, however, proposes a program of surface exploration this spring on its property in Dasserat township, Quebec. A zone 25 feet wide contains gold and molybdenite values. A shaft is down 75 feet on this group and a short crosscut was driven. Grab samples are said to have given values of from \$1 to \$77 in gold and 1.06 per cent. and 3.78 per cent. in molybdenite.

DOVER INDUSTRIES

Editor, Gold & Dross:

Can you enlighten an old subscriber on the set-up of Dover Industries, its component parts, and what its earnings are likely to be?

—A. J. B., Stratford, Ont.

I think I can. Dover Industries Limited, has been formed to acquire all the outstanding shares of Robinson Consolidated Cone Company, Ltd., The T. H. Taylor Company, Ltd., of Chatham, and S. J. Cherry & Sons, Ltd., of Preston, Ont. Stockholders of all 3 companies are being offered a share-for-share exchange into the shares of the new company. Robinson Cone shareholders have until April 30 to deposit their shares; those not desiring to make the exchange may dispose of their stock at \$7 per share.

For a long time the management of Robinson Cone has endeavored to diversify the company's output in order to overcome the seasonal aspects of the business. For some time now a department for the manufacture of cartons and containers for the com-



W. TAYLOR-BAILEY, vice-president and general manager of the Dominion Bridge Company, Ltd., who has been elected to the directorate of the Wabasso Cotton Company, Ltd., and the Dominion Engineering Works, Ltd.
—Photo by "Who's Who in Canada".

pany's own requirements has been in operation and it has been felt that it would be to the company's advantage to be associated with some other industries in order to overcome the seasonal lags. Flour milling has proven a successful venture for both T. H. Taylor Company and S. J. Cherry & Sons, and the combination of interests, common control and extension of operations should ensure Dover Industries of a promising future.

A consolidated statement of earnings shows net profit of \$78,283 in 1939, after income taxes at present rates and without making allowances for the additional 3 per cent. temporary Ontario income tax, or for the excess profits tax—if any—which may be applicable. Average net earnings for the past 4 years were \$85,005. Current assets amounted to \$603,677; current liabilities to \$73,802. Of the former, \$107,283 was in cash and \$109,841 in investments having a market value of \$113,170.

The authorized capital of Dover Industries will be 200,000 no par value shares; 142,816 will be outstanding. I understand that F. K. Morrow of Toronto controls a majority of the shares of Robinson Cone; one-third of the shares of T. H. Taylor; and all the shares of Cherry & Sons. It is anticipated that the new company will be able to adopt an initial dividend of 80 cents per share.

CUB AIRCRAFT

Editor, Gold & Dross:

Some time ago I purchased Cub Aircraft stock. I have been more or less "keeping my fingers crossed" on this one and hoping. Now I wonder if you have any recent news on the company which would permit me to relax a little. I would particularly like something on recent developments and the outlook for the company.

—L. S. C., Toronto, Ont.

I think you can relax and maybe draw a deep breath. The stock of Cub Aircraft is still a speculation on the extent to which the company will participate in government war orders, but the outlook is improving.

The most recent development at Cub Aircraft was the company's leasing rights at the Hamilton Airport for a period of 25 years. Plans are completed and construction will be started immediately on a new plant which will be adjacent to the Hamilton Airport. I am informed by an official source that this year prospects for Cub sales are promising because of the demand for training planes.

GATEWAY PATRICIA

Editor, Gold & Dross:

Will you kindly let me have a full report on Gateway Patricia?

—E. W., Outremont, Que.

Extensive exploration, including diamond drilling by Gateway Patricia Gold Mines, failed to indicate anything of commercial importance on its holdings of approximately 1,080 acres adjoining Central Patricia Gold Mines on the west. Some surface prospecting was done in 1938 with no work since, the company having decided to conserve its treasury and mark time. A couple of years ago the treasury held a little cash, 2,000 shares of Pickle Crow, 75,000 shares of Pickwick Gold Mines, and almost half the share capital was unissued.

INTERNATIONAL BRONZE

Editor, Gold & Dross:

I was recently prevailed upon to purchase International Bronze Powders common. Do you consider this to be a sound company with a future? Please let me have all information available, particularly as to how the war is likely to affect the company and how it will fare after the war.

—T. H. S., Montreal West, Que.

I think that the common stock of International Bronze Powders is an attractive speculation at the present time.

As you probably know, International Bronze Powders is a holding company with operating subsidiaries in both Canada and the United States and it has developed large business both domestically and for export demand. The company's products include a wide range of bronze aluminum powders which are extensively (Continued on Next Page)

BUSINESS AND MARKET FORECAST BY HARUSPEX

The long-term or year-to-year direction of stock prices has been upward since March 31, 1938. The short-term or month-to-month movement, down from mid-September, may have reversed upward on January 15 but assurance to this effect will be lacking until and unless the two averages move above the early January highs.

INFLUENCES ON BUSINESS

Great Britain has shown some intensification of air activity, the French have turned over their Cabinet as a protest against the conduct of the war to date, and Under-Secretary of State Welles has apparently made little progress in his mission abroad, all of which has tended to dissipate the peace rumors prevalent since mid-February.

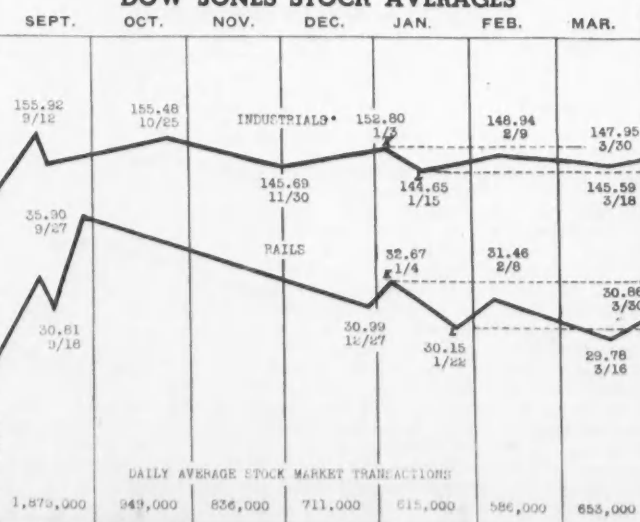
In the meanwhile the controversy at Washington over sales of aircraft to the Allies is being resolved in the direction of a liberal policy. Washington has also dropped the economy program of the early weeks of Congress and Mr. Farley has made his opposition to the third term more pronounced. Business, after its three-month decline, is giving evidences of flattening out, probably preliminary to the initiation of some recovery during the second quarter.

BASE FOR MARKET RISE

Recent developments, in other words, taken in conjunction with an estimated increase in earnings for all of 1940 over 1939, and a current price level for stocks which seems quite reasonable, would suggest that a base is being slowly formed out of which a worthwhile market advance can develop.

This upward movement would be confirmed as already under way should both the Dow-Jones rail and the industrial averages now move decisively above their early January peaks, points K. Pending such a confirmation, technical evidence is lacking that further market irregularity of the character witnessed over recent months is to be avoided prior to resumption of the main upward trend.

DOW JONES STOCK AVERAGES



CANADIAN DOLLARS AT A DISCOUNT

Those who have dealings in foreign currencies will be interested in the discussion of the discount on the Canadian dollar which is contained in our April Investment Letter. A copy is available upon request.

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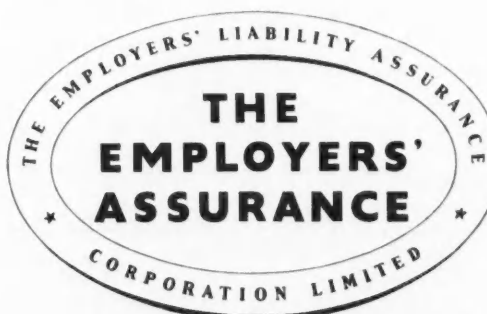
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April 6, 1940

SATURDAY NIGHT

13

BRITISH AMERICAN OIL COMPANY LIMITED

SPECIAL NOTICE To Holders of Bearer Share Warrants

Outstanding Share Warrants Are To Be Exchanged For Registered Share Certificates On and After April 1, 1940.

THE BRITISH AMERICAN OIL COMPANY, LIMITED has decided to discontinue Bearer Share Warrants and to issue Registered Share Certificates in their place. Dividend Coupon Number 40, payable April 1st, 1940, is the last coupon attached to the Bearer Share Warrants of the Company. After clipping the last dividend coupon there will remain the Share Warrant proper and the Talon.

In order to obtain Registered Share Certificates, bearers of Share Warrants must surrender both Warrants and Talons to Chartered Trust and Executor Company, 34 King Street West, Toronto, Ontario, or 132 St. James Street West, Montreal, P. Q. (the Transfer Agent and Registrar of the Company) on April 1st, 1940 or so soon thereafter as possible, whereupon their names will be entered as shareholders in the Register in respect of the shares specified in the Warrants so surrendered, and future dividends will be paid by cheque in the usual manner. If forwarding by mail, it is important for the protection of the bearers of Share Warrants that the Warrants—with Talons attached—be registered and insured against loss in transit.

There shall be lodged with the surrendered Share Warrants a declaration, in writing containing the following information: (1) Name, address and calling; (2) Serial numbers of Share Warrants, denomination of each Share Warrant, and total number of shares represented by the surrendered Warrants; (3) Denomination(s) in which the desired Registered Certificates be issued in exchange; (4) That the declarant is the bearer of the Share Warrants referred to in the declaration.

Registered Share Certificates will be issued in the following denominations: (a) 25 shares; (b) Less than 100 shares, other than 25 shares; (c) 100 shares; (d) For any number in excess of 100 shares.

Forms of declaration to be lodged with the surrendered Share Warrants may be obtained from Chartered Trust and Executor Company, Toronto and Montreal, or through banks and brokers who will be supplied on request.

H. H. BRONSDON, Secretary.
TORONTO, March 20, 1940.

Dividend Notices THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 213

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th April 1940 and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st May next, to shareholders of record at the close of business on the 30th March 1940. The Transfer Books will not be closed.

By Order of the Board
A. E. ARSCOTT,
General Manager
Toronto, 8th March 1940

CANADIAN PACIFIC RAILWAY COMPANY

NOTICE TO SHAREHOLDERS

The Fifty-ninth Annual General Meeting of the Shareholders of this Company, for the election of Directors to take the places of the retiring Directors and for the transaction of business generally, will be held on Wednesday, the first day of May next, at the principal office of the Company, at Montreal, at twelve o'clock noon, daylight saving time.

The Ordinary Stock Transfer Books will be closed in Montreal, Toronto, New York and London at 3 p.m. on Tuesday, the ninth day of April, 1940. The Preference Stock Books will be closed in London at the same time.

All books will be re-opened on Thursday, the second day of May.

By order of the Board,
F. BRAMLEY, Secretary.
Montreal, March 11, 1940.

SIMPSON'S, LIMITED

Preference Dividend No. 37

NOTICE is hereby given that a Dividend of One dollar and sixty-two and one-half cents (\$1.62½) per share on the Outstanding Paid-up Six and one-half per cent (6½%) Cumulative Preference Shares of the Company has been declared payable on May 1, 1940 to shareholders of record at the close of business on April 20, 1940. The transfer books will not be closed.

FRANK HAY, Secretary
Toronto, March 26, 1940

GUNNAR GOLD MINES LIMITED

(No Personal Liability)

DIVIDEND No. 6

Notice is hereby given that a dividend of three cents per share has been declared on the outstanding Capital Stock of the Company, payable May 1st, 1940, to shareholders of record April 15th, 1940.

By order of the Board,
B. E. KEARNS, Secretary-Treasurer.
Toronto, March 26th, 1940.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 330

EXTRA DIVIDEND NUMBER 61

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 22nd day of April, 1940, to shareholders of record at the close of business on the 8th day of April, 1940.

DATED the 30th day of March, 1940.

I. McIVOR, Assistant-Treasurer.

CANADIAN TOBACCO

CANADA is both an importer and an exporter of tobacco leaf, exports being several times as large as imports. Canada's exports of tobacco leaf last year went mainly to the United Kingdom, but there were considerable shipments to Belgium, Denmark, Germany, Netherlands, British Honduras, British Guiana, Jamaica, Trinidad and Tobago and British West Africa. Imports of raw tobacco came chiefly from the United States with considerable purchases from the United Kingdom, Cuba, Netherlands and the Dutch East Indies.

GOLD & DROSS

(Continued from Page 12)

used in industry; demand comes from the graphic and decorative arts and the use of aluminium paint as a preservative has become widespread in industry and for merchant marine and naval use. To a large extent, as you can see, its output is dependent upon the general level of industrial activity and with the outlook considerably brighter in both Canada and the United States, the company should do well. Recent reports are to the effect that Canadian Bronze Powder Works, a subsidiary of International Bronze Powders, Ltd., is adding to its equipment at the Valleyfield, Quebec, plant. These changes will increase the company's output, particularly of aluminium powder, and are expected to increase plant capacity by about 25 per cent. At the present time the whole plant is running on a 24-hour-a-day basis. I understand that owing to the war, and the resultant elimination of German exports to other parts of the British Empire, there has been a heavy demand for bronze and aluminium powder which will continue until the end of hostilities. By that time the company hopes to be able to hold most of the trade within the British Empire.

In the year ended December 31st, 1938, net was equal to \$1.29 per common share, as compared with earnings of \$2.15 per share in the previous year. The financial position is satisfactory with total current assets of \$1,722,875, against current liabilities of \$322,253. Of the former, \$610,344 is in cash, and \$1,708 in marketable securities.

GREAT BEAR LAKE

Editor, Gold & Dross:

I would like to know something of the present stage of developments in the Echo Bay section of Great Bear Lake. Am I correct in my understanding that Eldorado Gold Mines and Bear Exploration and Radium Ltd. are the only two operating and active mines in that area? What happened to the much-discussed projects of Consolidated Mining and Smelting Company, Ventures, Northern Aerial Minerals Exploration and Dominion Explorers?

—J. W. A., Winnipeg, Man.

At the present time Eldorado Gold Mines appears to be the only active property in the Great Bear Lake area.

Operations at the Contact Lake property of Bear Exploration and Radium Limited were suspended early last summer. A large tonnage of tailings remain which are estimated to contain about 143,000 ounces of silver, and there is also reported to be 3,400 tons of ore grading 20 ounces per ton indicated in the mine workings. A substantial improvement in the price of silver would likely result in resumption of operations. I understand that a geophysical examination of the property to determine the possibility of commercial pitchblende deposits occurring, was favorable.

Consolidated Mining and Smelting Company in 1936 closed down its silver prospect at Echo Bay when supplies became exhausted and in hope of higher silver prices. Development here, I understand, gave substantial values and lengths.

Ventures still holds numerous properties including the Uranium and other claims. Northern Aerial Minerals Exploration and Dominion Explorers, which were the pioneer exploration companies in the North West Territories, still hold ground there. The former, now known as Val D'Or Mineral Holdings, has 32 claims of copper prospects on the Coppermine River. Properties of Dominion Explorers in the Great Bear area, although inactive, consist of 15 claims, together with a 50 per cent interest in the Uranium group, which is a silver-radium prospect situated at LaBine Point.

KENBRAE, FED. KIRKLAND

Editor, Gold & Dross:

Would you please give me any information you have on Kenbrae and Federal Kirkland. Is any work going on there? If so, what are the prospects? Also, should I hold my Wright-Hargreaves shares, or dispose of them?

—A. B. M., Lindsay, Ont.

Kenbrae Gold Mines has been inactive for some time due to lack of finances. A diamond drilling campaign was recommended for the E group and a new financing agreement arranged in November 1938. This was terminated the following April after only 16,100 shares were taken down at 3 cents a share.

Federal Kirkland is at present a holding company and not active on its own account. It has leased its properties to Toburn for 50 years for a cash consideration of \$28,000 and 22½% of profit from the ore obtained, if the production stage is reached. Federal also holds 425,000 shares of Brock Gold Mines, which adjoins Upper Canada now in successful production, as well as 88,000 shares of Delnite, which recently declared an initial dividend.

I would not favor disposing of Wright Hargreaves shares at present. The company at August 31, 1939, reported net current assets of \$5,647,884 and ore reserves having a gross value of close to \$28,000,000. Development work at depth is resulting in very satisfactory ore disclosures and work on the 6,000-foot horizon, second deep in the mine, is proving particularly favorable.



AUBREY DAVIS, president and managing director of the Davis Leather Company, Ltd., Newmarket, Ont., who has been elected a director of the St. Lawrence Paper Mills Company, Ltd. —Photo by "Who's Who in Canada".

Mines

BY J. A. McRAE

HALLNOR Mines will pay a dividend of 15 cents per share on June 1 calling for distribution of \$300,000 and making a total of \$1,800,000 disbursed since the initial dividend in March 1939. Diamond drilling from stations at lower levels have indicated the grade of ore will be lower than in upper horizons, yet with prospects of larger tonnage. Ore reserves during the year declined 56,000 tons. Net earnings for the first quarter of this year are estimated at 19 cents per share.

Aunor Gold Mines is milling around 280 tons of ore daily at a grade of around \$9 to \$10 to the ton.

Bidgood Kirkland Gold Mines has encountered rich ore in work from the 775 ft. level. The length of the ore shoot at this level is limited to just 30 ft., being situated between two faults. However, the faults diverge and open out possibility of the ore shoot being longer as greater depth is reached. A winze put down in the shoot has disclosed very high values for a depth of around 100 ft below the 775 ft. level. The Bidgood Kirkland company gave an underwriting on 100,000 treasury shares on February 28 at 15 cents per share and this has provided \$15,000 for the treasury, payment for the shares having been completed a few days ago.

Madson Red Lake produced \$73,449 during February from 11,746 tons of ore. This compared with \$88,460 from 12,796 tons during the preceding month. Exploration and development is being intensified. It is planned to spend about \$18,000 monthly in an effort to bring further ore under development.

Noranda Mines produced 83,257,000 lbs. of copper during 1939 together with 266,532 ounces of gold and 595,100 ounces of silver. The Noranda plant further produced 22,106,000 lbs. of copper from customs ore and concentrates as well as 52,067 ounces of gold from this branch of the operation. Altogether the company sold a total of close to \$22,000,000 in metals from its own and customs ore. Net profit for the year was \$11,161,260 or \$4.98 per share. Current assets at the end of the year were \$16,028,000 with net working capital at \$13,035,000. Ore reserves are estimated at 29,513,000 tons compared with 30,001,000 tons a year ago. The company paid \$8,959,088 in dividends during 1939.

Sturgeon River Gold Mines produced \$441,309 during 1939 compared with \$509,011 in the preceding year. Net profit during 1939 was \$65,396 compared with \$142,621 in 1938. Ore reserves are estimated at 40,500 tons containing \$11.65 per ton. This compares with 33,500 tons a year ago.

Delnite Gold Mines, subsidiary of Sylvanite, made a net profit of \$143,939 in the nine months ended December 30, last.

Hudson Bay Mining & Smelting Co. produced \$14,368,755 during 1939, being an increase of \$1,000,000 above the 1938 record. The plant treated 1,721,783 tons of ore during the year, and closed 1939 with capacity up to 5,000 tons daily. Copper output for the year was 56,577,000 lbs. Zinc production was 77,580,000 lbs. Added to this was 135,230 ounces of gold and 1,870,000 ounces of silver. Net profits for the year were \$5,249,900. This amounted to \$1.90 on each share outstanding. The company

paid \$1.75 per share in dividends. The year ended with current assets of \$12,589,647 and with \$10,713,316 in working capital. Ore reserves are not estimated but are understood to be around 30,000,000 tons.

Magnet Consolidated, which went into production just nine months ago has paid off a loan of \$75,000 and has also accumulated sufficient profit to announce an initial dividend of five cents per share will be paid May 15. The ore occurs in a narrow vein but is extremely rich. The mill is handling around 100 tons daily and output is at \$88,000 per month. Operating costs are somewhat below \$40,000 monthly.

Germany and Baku Oil

PROPOS OF SATURDAY NIGHT'S articles on Germany's economic straits, particularly her difficulties in obtaining essential oil supplies, a Toronto reader of this paper has sent us a clipping from the *Daily Telegraph* (London) containing a letter to the editor of that paper dealing with a different and interesting angle of the situation. The letter follows:

To the editor of the *Daily Telegraph*

Sir—In your issue of March 4 you rightly throw doubts on the statement that German technical experts have gone to Baku to speed up oil production. My 30 years' experience of oilfield development (12 years of which were spent in Baku) leads me to assert that the Germans know very little about oilfield development. In any case, they can teach the Russians nothing in that sphere of activity.

In the rapid development of the Russian oilfields from 1894 to 1914, the great majority of the oil producing companies were Russian, assisted by Dutch, French, Belgian and British companies, but not one German organization of any size or success, in spite of the fact that the place was flooded with Germans who confined themselves to selling machinery and plant to the oil-producers.

The Germans could not develop their own little field in Hanover. British, American and Dutch oil men went out and did it for them.

There may be a few German engineers working for British, American and Dutch oil producing companies, but, as far as I know, their primary object is to avoid falling into the clutches of the Nazis.

We know the Germans have some chemists, but even on the refining side of the petroleum industry I doubt whether they can teach the Russian chemists much. The political condition of Russia blinds many people to the fact that scientific education in that country was of high standard before the revolution.

It may be that the Germans think they can supply "ginger" to the oil production by sending a few Gestapo men, but the easy-going Russian might put up with the "whip" from his own people, but he would not stand it from Germans, whose manners and customs he always detested.

It is difficult to imagine that Stalin, who is a Caucasian himself, would permit any sort of German interference in the Caucasian oilfields, for it was a well-known saying in my day that "whoever controls the Caucasian oil-fields has industrial Russia by the throat."

Yours faithfully,
RICHARD R. TWEED,
Chairman, Baku Consolidated Oilfields, Ltd.
48, Cannon-st., E.C. 4, March 5.

Laws Won't Stop Inflation

(Continued from Page 11)

sense all agree to indicate that legislative and police methods will not avail to prevent inflationary panics. It is currently reported, on what seems to be good authority, that there is a boom in buying pianos in Germany at present. Pianos are about the only thing that are not rationed in Germany, so, deprived of the right to spend their money in any other way, the Germans buy pianos. If you ration pianos, the Germans will find some other way of spending their money.

If we are to prevent the inflationary effect of war expenditures, we shall have to try something more than reliance on mechanical theories of monetary economics, or police methods.

My own suggestion would be that we return to the simple thought of earlier times, and try to prevent inflation by a combination of ordinary common sense, and an appeal to the willingness of the ordinary man to serve his country, when his country is endangered.

Anti-Inflation Program

The first item of my anti-inflation program would be to try to limit non-war public expenditures as fast as possible—at least to the extent that war expenditures replaced them in the economic system. I should suggest that the government, as fast as it hires sailors and soldiers and airmen, should try to get rid of workers on public works which are not needed at the moment, unnecessary civil servants, and other state employees.

St. Maurice Power Corporation

St. Maurice Power Corporation owns water power properties and rights necessary for the operation of a hydro-electric development on the St. Maurice River at La Tuque, Quebec. Construction of this development has been in progress since March, 1938, and completion is anticipated by January 1st, 1941, to the extent of 162,000 h.p.

The Shawinigan Water and Power Company is obligated, under agreement, to operate the power development of the Corporation as part of the Shawinigan system at the expense of the Corporation.

Upon completion of present financing, the new issue of St. Maurice Power Corporation, Series "B" Bonds will be the senior security of the Corporation.

St. Maurice Power Corporation

First Mortgage Sinking Fund Bonds

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Price: 99 and accrued interest, to yield 4.56%

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I should suggest that the government, as fast as it buys guns, bombs and all the rest of the lethal implements of war, should cease buying structural steel, cement and stone for the Toronto Post Office, the humorous railway station in Montreal, and the amusing wharves at every fishing village in the Maritimes.

The total savings which the government could make, by the most rigid economy, would be but a fraction of our war costs, but the effect on the public psychology would be most important. As Colonel Ralston warns us in every one of his election speeches, we are in for a long and hard war, but it is no good Colonel Ralston telling us this, unless he will stiffen his backbone to the point of telling Mr. Howe, for example, that he cannot have all the money he needs for buying war material, and still all the money he needs to support continued railway duplication, and other momentarily unnecessary activities. Colonel Ralston should tell Mr. Cardin that we cannot have money for shell-making and also money for fancy public buildings.

The Danger is Real

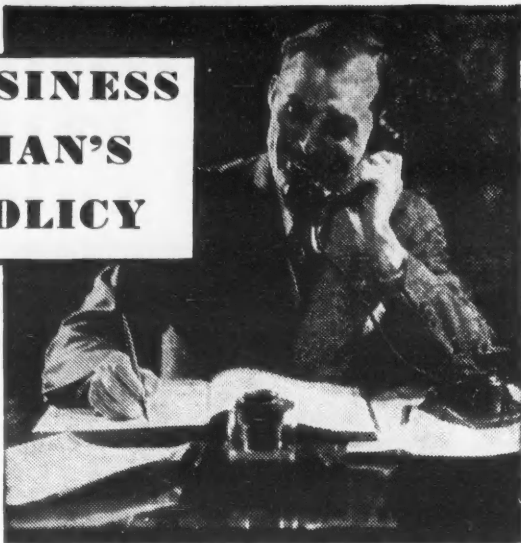
The government should also try to impress upon the public that savings lent to the state will be a very real way of serving in the war; that purchases from the United States, of anything which can be obtained in Canada, or bought from the Allies, is at least as treasonable as saying that Mr. Chamberlain is stupid, or sending

a sketch of Halifax Harbor to Copenhagen.

We are in grave danger of inflation in Canada. We have built up a system of wasteful public expenditures, which was, even before the war, a grave danger to the stability of the value of our money. Our policies of public finance had condemned us to almost certain inflation. With the costs of the war added, we have little prospect of escaping a grave inflationary panic. If we are to avoid one, then we have got to throw overboard all the comforting theories of those who discuss the monetary economics of a country as purely mechanical phenomena, and all the equally futile hopes of those who think that you can prevent inflation by passing laws, and establishing boards at Ottawa.

If inflation is to be avoided in Canada, we must have an immediate return to common sense in public policies, and a very definite campaign of education of the public as to the dangers of inflation and the patriotic efforts which the ordinary citizen can make to prevent it developing. Monetary policy and systems of control will not make inflation, nor will they prevent it. They can provide the opportunity for it, in greater or less degree. Fundamentally, however, an inflationary panic is a psychological phenomenon, and it will take a great deal better psychological leadership than this country is yet getting from its government if we are to avoid an inflationary panic in this country.

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CONCERNING INSURANCE

Was it Accident or Disease?

BY GEORGE GILBERT

One of the questions which arise in connection with death claims under accident policies or under the double indemnity provision of life policies is whether death was caused by accident or by disease. As the contract is designed to insure against accident, the exceptions in the policy relating to bodily infirmities or disease are intended to exempt the insurance company if disease is the proximate cause of the accident.

On the other hand, if a disease resulting in death is the effect of an accident so as to be only a link in the chain of causation between the accident and the death, it has been held that the death is attributable to the accident alone and not to the disease. If death may have resulted from either disease or accident, there is no presumption as to the cause of death, but the burden of proof is on the insurance company to show that it was disease and not accident which caused the death.



F. A. NICHOLSON, C.L.U., who has been appointed inspector, Canadian division, of the Manufacturers Life Insurance Company. He was formerly branch manager at Winnipeg, and joined the company in 1927 as a member of the New Brunswick field force, later becoming inspector and subsequently branch manager at Saint John in 1931. In 1932 he was made branch manager at Seattle, Wash., and remained in that position until he was appointed branch manager at Winnipeg in 1936. He served in the last war in the infantry and in the Royal Air Force.

THOSE with death claims to collect under accident policies or under the double indemnity clause of life policies are under the necessity sometimes of proving that the death was due to accident and not to disease.

In one case, the claimant, as the named beneficiary, brought suit to recover double indemnity under a policy on the life of one John R. Munden. The insurance company paid into court the face amount of the policy, but denied liability for an additional amount alleged to be due to death of the insured having resulted from external, violent and accidental means.

Evidence was introduced by the claimant to show that the insured participated in a football game on the afternoon of a certain day; that he received bodily injuries in the course of the game; that at the conclusion of the game about 4.15 p.m. he walked seven or eight blocks to the dressing room, and that during this walk and at the dressing room he said he "felt bad," and was complaining.

Further, the evidence showed that about 7.30 or 8 p.m. he went to his room and complained of feeling bad, and soon asked that a physician be called; and that when the physician arrived about 9 p.m., he was dead. An autopsy disclosed that he died from "an embolus that blocked the artery, the left auricle of the heart."

Over the objection of the insurance company, the court admitted testimony of a witness to the effect that about one and one half hours before his death the insured had stated that he thought "somebody had kned him or something," and "I got knocked on the chest." The court also permitted a witness to answer a hypothetical question embodying these statements.

Cause of Embolus

Subsequently, however, the court struck the declaration from the record, and instructed the jury not to consider the statements, and to disregard testimony of the physician in answer to a hypothetical question to the effect that in his opinion the cause of the embolus was due to some blow received during the football game. The jury answered in the affirmative the question whether the insured came to his death as a result, directly and independently of all other causes, of bodily injuries sustained solely through external, violent and accidental means.

From the judgment for the claimant, the insurance company appealed. On appeal, it was held by the Supreme Court of North Carolina that when the physical condition of the person is the subject of inquiry, his declaration as to his present health, the condition of his body, suffering and pain, are admissible in evidence. The testimony that between the time of the conclusion of the game, about 4.15 p.m., and the time he lapsed into unconsciousness, about 8.30 p.m., the insured stated he was feeling bad, or words to that effect, was held to be admissible.

Any error in admitting testimony that one and one-half hours before his death the insured stated that he thought somebody had kned him and "I got knocked on the chest," and in permitting a physician to answer a hypothetical question embodying such statements, it was held, was cured where such evidence was subsequently stricken from the record.

It was further held that when the trial judge instructs the jury that certain evidence introduced is withdrawn, and they shall not consider it in their deliberations, the admission of such evidence will not be held error. The admission of testimony as to the meaning in football parlance of the expression "kned him," it was held, will not be deemed reversible error where such testimony was rendered meaningless and harmless by striking out of the evidence as to the insured's statement as to being kned.

Conflicting Evidence

While the evidence was conflicting, it was held there was evidence upon which to base the hypothesis that the insured "received a blow by reason of an opposing player falling upon him while he was on his back and that he was assisted from the field and did not play any more during the game." The testimony of the medical expert in answer to a hypothetical question that the embolus which he theretofore testified that he had found, upon autopsy, to have caused the insured's death was, in his opinion, due to a blow received in a football game, was held by the appeal court to be ad-

missible, and judgment for the claimant was affirmed.

In another case, suit was brought to recover double indemnity on a policy issued to one Frank L. Chamblin in the amount of \$2,000, with a provision for double indemnity if death of the insured should result directly and independently of all other causes from bodily injury effected solely through external, violent and accidental means, and not from any physical or mental infirmity, or directly or indirectly from illness or disease of any kind.

At the trial there was evidence that on December 23, 1935, the insured fell from a travelling ladder on which he was standing and struck with his back one of the bins on the floor with such force as to break a one-inch board forming the top of the bin. He worked during the remainder of the day and upon arrival at his home that evening went to bed and remained there for two days. He then went back to work and continued at work until January 10, 1936, when he died.

Coronary Occlusion

He was treated by a physician intermittently between the dates of injury and death. On the night of January 9, 1938, he went to the Knights of Columbus Hall where he bowled several games. He arrived home about 11.30 o'clock, went to bed, was taken ill about 1 o'clock in the morning and died within a few hours. An autopsy was performed, and disclosed that the cause of death was an occlusion of the right coronary artery.

Four experts called by the claimant testified that in their opinion the injury sustained on December 23, 1935, was sufficient to cause the occlusion. The five physicians called by the insurance company stated that in their opinion the coronary occlusion could not have resulted from the fall. One of the insurance company's experts on cross examination testified that there would be a possibility that the injury which the insured received on December 23, 1935, might have caused the clot or occlusion of the artery and that where coronary occlusion is caused by trauma the person might live for months.

In this case, the court, sitting without a jury, rendered judgment for the claimant, and the insurance company appealed. On appeal, it was held that under the conflicting medical testimony, the question whether the injury received on December 23, 1935, caused the clot or occlusion of the artery resulting in the death of the insured was one of fact for the decision of the trial court sitting without a jury. The finding of fact of the trial court, it was held, was not manifestly against the weight of the evidence, and judgment for the claimant was affirmed.

Hardware Mutuals

DURING 1939 the companies comprising the Federated Hardware Mutuals continued their steady record of progress. Again their experience in Canada was particularly favorable. The companies continued to show strong financial positions and during 1939 their assets increased \$715,144, bringing the total assets to \$15,192,907. The surplus increase was \$298,968, bringing the total combined surplus of the companies to \$5,399,963.

Total savings of \$222,011 were returned to Canadian policyholders during the year and the year's operations in Canada resulted in a loss ratio on an incurred basis of 32.87% and on a paid basis, 31.75%.

Several items on the liability side of the statement are of interest, particularly the "reserve for dividends declared but not due" and the large "voluntary contingency reserve" and "guaranty fund" maintained by the companies.

Alliance Not Withdrawing from Canada

IN CONNECTION with the rumors which have been circulated in some quarters that the Alliance Assurance Company Limited was contemplating withdrawal from Canada, the Canadian head office of the company has received a cablegram from the home office in London, Eng., which reads in part as follows: "No intention of withdrawing from Canada." The Alliance was established in 1824, and has been doing business in Canada since 1892. It is regularly licensed in this country and has a

deposit with the Government at Ottawa of \$1,040,688 for the protection of Canadian policyholders exclusively. It occupies a strong financial position and is safe to insure with.

Fire Insurance Rates Reduced in Ontario and Quebec

EFFECTIVE February 26, rate reductions of ten per cent in protected cities and towns in the Provinces of Ontario and Quebec and five per cent in such towns and villages as enjoy no fire protection, have been announced by the Canadian Underwriters Association.

These reductions follow a favorable experience extending over the past five years. The loss ratio in Ontario 1935 to 1939 inclusive ran about 35 per cent and while Quebec Province was higher it still showed a profit. This is the first general reduction in several years although there have been cuts in specified cases at different times.

While the reduction is a general one, some classes that have enjoyed specially low rates for years past have been excepted from its operation. Among these are terminal elevators, sprinklered risks, traction properties, canneries and electric generating stations.

Inquiries

Editor, Concerning Insurance:

I would greatly appreciate your giving me some information about my insurance.

I have a policy which I am not satisfied with. It is a 20 payment life with the London Life Ins. Co., \$1,000 face amount—premium \$5.65 quarterly. The trouble with the policy is that after 20 years there is only a cash value of \$369. I know you get only what you pay for but I believe that some other sort of policy would suit me better. What I am interested in mostly is the saving which I will be making and not so much with protection. What sort of policy suits this requirement best?

I took this policy out when I was 15 years old and it has been paid up for 6 years. If you know of a better policy will it be possible for me to have this one exchanged or would you recommend holding it after paying it up for 6 years.

If you can give me any help in this matter I shall be deeply grateful.

—T. C. D., Lachine, Que.

In the case of a young man of 21, the probability is that he will sooner or later have dependents who will need to be protected by insurance, and therefore I would strongly advise keeping your present policy in force, as it provides protection at a very reasonable rate and as it is already paid for and will become fully paid up in fourteen years for \$1,000 of insurance with no further payments to make.

When buying your next policy, I would recommend a 20 or 25 year endowment, which provides insurance protection during the endowment period and at maturity pays the face amount of the policy either in a lump sum or in the form of a monthly income, whichever better meets your requirements at the end of the 20 or 25 years.

Editor, Concerning Insurance:

Can you give me any idea of what effect the enactment of compulsory automobile insurance legislation in Massachusetts has had on the rates charged for automobile insurance and on the commissions paid to insurance agents?

—L. M. B., Kitchener, Ont.

Taking the premium rates for automobile liability and property damage insurance charged in Boston and Chelsea, it appears that at the time the legislation first became effective the rates were \$41 in both cities, (Continued on Next Page)

From the
Records

Facts
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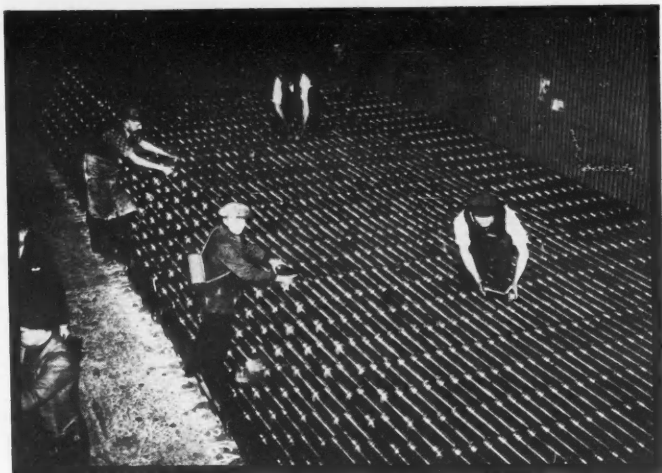
Established	Assets
1840 WELLINGTON FIRE INSURANCE CO.	\$ 1,345,948.
1923 FEDERAL FIRE INSURANCE COMPANY	1,021,731.
1911 CONSOLIDATED FIRE & CASUALTY INS. CO.	836,437.
1910 MERCHANTS FIRE ASSURANCE CORP.	17,070,980.
1851 PACIFIC FIRE INSURANCE COMPANY	7,912,269.
1918 BANKERS & SHIPPERS INSURANCE CO.	6,917,632.
1910 JERSEY INSURANCE COMPANY	4,415,015.
1865 MILLERS NATIONAL INSURANCE CO.	6,684,478.
1873 LUMBERMEN'S INSURANCE COMPANY	4,969,546.
1835 STANSTEAD & SHERBROOKE FIRE INS. CO.	1,334,528.
1911 AMERICAN AUTOMOBILE INSURANCE CO.	22,753,338.

Toronto General Agents

1839 GORE DISTRICT MUTUAL FIRE INS. CO.	2,508,229.
1863 PERTH MUTUAL FIRE INSURANCE COMPANY	1,789,654.
1903 PROVINCIAL INSURANCE COMPANY	12,026,729.

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SHELL CASES for 3.7 anti-aircraft guns are stacked by workmen at a munitions factory in the Midlands, Eng. Immediately following re-armament, dozens of factories were converted into munitions plants with the result that about half as many workmen are turning out shells six times faster than in the peak production period of 1918.

Effectiveness of The Bank of Canada

(Continued from Page 11)

securities, and the loans they had given in Canada were 1618 million dollars. In 1938 the respective figures were 1436 million and 991 million. The reasons for the enormous increase in the security holdings lay on the demand and the supply sides. When funds began to accumulate in the commercial banks on account of the Great Depression, the banks naturally looked for new possibilities of investing them. If the State had not provided this facility the cash reserves of the banks might have increased, which would have diminished their earning capacity. Another consequence which would have ensued would have been undesirable from the central bank's point of view; we shall consider it presently.

As it was, the banks' cash reserves did not increase, because the government took up the issue of short-term paper which is much favored as an investment by the banks; moreover, the central bank is permitted by its statutes to deal in it. Thus the ratio of cash to deposits of the commercial banks has been kept fairly stable around 10 per cent since the inception of the Bank of Canada.

If the cash reserves of the commercial banks had risen because of the lack of suitable investment facilities, the banks could have at any time expanded their loans without the central bank being able to interfere, if it had considered such expansion undesirable.

Open Market Operations

The rule of the game, as may be briefly recalled, is this. If the central bank wants to expand credit it buys securities in the open market. If, as is the case in this country, the commercial banking system holds a cash reserve to the extent of 10 per cent. of its deposits liabilities, it will be able to extend ninety million dollars of new credit to the business community for every ten million dollars of currency which the central bank hands to the sellers of the securities it buys. Now, if the banks have "excess reserves," that is more cash than corresponds to ten per cent. of their deposits liabilities, this is a sign that the business community does not want credit. If under such circumstances the central bank should

buy securities in the open market, the proceeds would only go to swell the banking system's excess reserves. A central bank's buying of securities can, then, expand credit only if there is a demand for credit; and if there were such demand there would not be excess reserves in the commercial banks.

However, exactly the position in which a central bank would find itself if there were excess reserves in the commercial banks, has developed, and is prevailing, in Canada without there being such excess reserves in cash. In 1935 the security holdings of the chartered banks were for the first time greater than the loans. At the end of 1938 the security holdings were, as we mentioned before, \$1436 million; the cash was \$255 million.

Mr. Plumptre points out that on account of this position "the delicate edge of the instrument of open market operations has been temporarily and perhaps permanently impaired," and that open market operations have ceased to be serviceable as a means to influence the commercial banks' lending policies. If the banks had an opportunity now of increasing their loans, in other words expanding credit, the central bank could not stop them, because they need not fall back on it and would simply sell securities, or allow them to run off at maturity.

The Personal Factor

There seems to be no reason for assuming that in any predictable future the credit demands which will be made on the banks will be so heavy as to make them sell securities to an extent which would involve them in heavy losses by depressing the bond market. On the other hand, although the Bank of Canada is deprived of the technical possibility of determining the lending policies of the banks, and has thus seemingly lost the chief influence which a central bank can have on the trend of business, it is said, nevertheless, to wield a strong personal influence on these lending policies.

The chartered banks whose co-operation is far-reaching, are said to submit willingly to advice and persuasion coming from the Bank. This fortunate state of affairs is rooted in the respect which the Governor, Mr. Towers, and the Deputy Governor, Mr. Gordon, enjoy in the banking community. Al-

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AGENCY OPPORTUNITIES IN SOME TERRITORIES THROUGHOUT CANADA

though the problem has thus taken a purely personal turn, the influence exercised by the Bank is actually all that it could be. As both the Governor and the Deputy Governor are young men, there is no immediate necessity for giving the problem further attention; and it is to be hoped that by the time it becomes acute, there will have grown up under their guidance new men fully trained in the requirements of the Bank, and of Canada's economy.

In any case, whether factual or personal, the influence which a central bank can exercise is great, and it is therefore futile to expect that any modern government should give up the domination of its central bank once it has obtained it. And it is equally futile to expect that a central bank should give up anything of the fullest measure of domination it can obtain over its commercial banks. In this respect the question of the gold standard must be mentioned.

The Gold Standard

In Canada the banks are required to keep at least 5 per cent. of their deposit liabilities in cash, which means either in notes of the Bank of Canada or as deposits with the Bank of Canada. This 5 per cent. forms, of course, part of their 10 per cent. cash reserves of which we spoke before. If a commercial bank withdraws some of its deposit from the central bank, it receives notes, but it cannot claim gold. However, when under the orthodox gold standard commercial banks did the same they received gold.

If, for instance, a central bank had to have its note circulation covered to 40 per cent. by gold; if, further, the customary cash reserves of the commercial banks were 10 per cent.; and if a commercial bank should withdraw some of its deposits from the central bank in the form of gold, and should sterilize this gold; the currency circulation would decrease by twenty-five times the amount of the gold withdrawn and sterilized. Such measures have been adopted occasionally before the World War by commercial banks when they were in disagreement with their central bank, in order to force their will on the latter.

The main reasons which have in recent years been advanced against the introduction of the gold standard are of an international character. But seeing the enormous pressure which commercial banks can exercise on their central bank under the orthodox gold standard, it cannot be doubted that no central bank and no government will ever again submit to that standard. In a modified gold standard the position is different. It may be pointed out that the non-reintroduction of the gold standard prejudices in no way the case of gold itself. This case, by the way, is today almost entirely a political issue, and is an economic problem chiefly in the gold producing countries.

We have seen, then, that although only five years old, the Bank of Canada has probably already passed the peak of the automatic influence which a central bank can exercise on a country's business trend; and that this automatic influence has been replaced by an equally effective personal influence. With a view to the unemployment position which prevailed in this country until the outbreak of war, many may be inclined to be dissatisfied with the achievement. But, then, central banks cannot, by the very nature of things, remove mountains which are not of their making. Deliberately to overlook this fact is senseless.

Interest Rates

To open market policy and persuasion must be added the influence which the central bank can exercise on business activity through manipulating interest rates, as far as this is in its power. This question is of vital and immediate importance here, and in the United States. There are many who have convinced themselves, and are trying to convince us, that low interest rates, such as have been prevailing on this Continent for a long time now, are harmful.

In Canada, or rather for Canada, this view was expressed by Dr. M. Palyi of Chicago in a booklet which

has been circulated by a Toronto firm of bond dealers and stock brokers. The booklet was written in August last, at the same time when Mr. Plumptre's book was concluded.

Mr. Palyi argues that the cash position of the Canadian banks is not much more than a protection against current pressures. "In an emergency, loans are largely illiquid and the bond market would have to bear the entire burden, just as the stock market did in 1929." Mr. Palyi surely must remember that there was a market crash in 1929, and that this crash depreciated the shares which the banks held as collateral for loans; that consequently, as in most cases the collateral could not be increased, the loans were called in, and naturally proved illiquid. Thus a contraction of loans went together with falling share prices, as is normal in a crisis.

It is hard to see how this situation could reasonably be compared with that prevailing at present, because any change we could expect now would be towards an expansion of loans. And, as we said before, this is unlikely to lead to a crash in the bond market. It might, however, involve the banks here or there in minor losses; but such losses would certainly be small in comparison with the benefit which the banks and the nation would derive from the situation which would cause them.

"Low rates tend to be the symbols of defeat and the admonitions to retreat, instead of raising the flag for venturing and enterprising," says Mr. Palyi.

And Mr. Plumptre: "It is nonsense to say that borrowers will be encouraged to expand their activities because they have to pay dearly for their loans."

What do you say?

Concerning Insurance

(Continued from Page 14)

while at present the rates in Chelsea are \$99.90 and in Boston, \$80.80. The commission being paid agents when the Act was passed was 25 per cent in both cities; at present the commission paid general agents is 12 per cent, with a lower rate for regional and sub-agents.

Editor, Concerning Insurance:

THE COMMERCIAL TRAVELERS UTICA, N.Y.

Will you be good enough to let us know, through the medium of your insurance column, whether the above organization is licensed to transact business in Canada and whether it maintains a deposit either at Ottawa or at Queen's Park?

We will also be happy if you will comment on the advisability of people in Ontario transacting accident and health insurance with the Association.

—D. J. R., Lindsay, Ont.

The Commercial Travelers Mutual Accident Association of Utica, N.Y., with Canadian head office at Ottawa, was incorporated and commenced business in 1883, and has been operating in Canada under Dominion registry since November 7, 1933.

It is regularly licensed in this country as a fraternal benefit society, and has a deposit with the Government at Ottawa of \$22,000 for the protection of Canadian policyholders exclusively.

At the beginning of 1939, the latest date for which Government figures are available, its total assets in Canada were \$59,915, while its total liabilities in this country amounted to \$7,672, showing a surplus here of \$52,043.

Assessment liability of members is limited to the amount of one assessment. According to the by-laws, each assessment shall be fixed at a sum not exceeding \$6.00 for each single membership or \$12.00 for each double benefit membership. Members may be reinstated by qualifying for membership just as when they first joined and by paying \$3 if a single benefit member and \$6 if a double benefit member. All benefits cease upon the discontinuance of premium payments except when a claim is pending at the time premium payments cease.

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ASSETS		LIABILITIES	
Cash in Offices and Banks	\$ 1,737,882.86	Reserve for Unearned Premiums	\$ 7,936,718.13
Bonds (Amortized)		Reserve for Losses	458,040.27
Government	\$7,608,701.97	Reserve for Taxes	233,891.15
State and Municipal	2,284,518.37	Reserve for Other Liabilities	70,462.70
Public Utility	873,771.22	Reserve for Dividends Declared But Not Yet Due	333,831.92
Railroad	1,131,716.19	Voluntary Contingency Reserve	760,000.00
Industrial	73,156.79	Guaranty Fund	\$ 400,000.00
	11,971,864.54	Surplus	4,999,753.03
Real Estate	506,201.46		
First Mortgages	8,280.00		
Interest Accrued	79,862.15		
Premiums in Course of Collection	838,167.84		
Due from Reinsuring Companies	50,648.35		
TOTAL ASSETS	\$15,192,907.20	Surplus to Policyholders	5,399,963.03
		TOTAL LIABILITIES	\$15,192,907.20

Dividends Returned to Policyholders Since Organization \$48,410,752.91

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Why Britain Should Extend Rationing

BY GILBERT C. LAYTON

Saturday Night's Financial Correspondent in London

The British government is spending a million pounds a week to keep down the prices of certain foods, hoping thereby to reduce the pressure for general wage increases and check the trend toward inflation.

But Mr. Layton points out that the holding down of prices may not only lead to increased consumption of the products concerned (at least, such as are not rationed) but may also cause a release of purchasing power in other directions, the effect of which would be inflationary.

Sooner or later, he says, if the government continues along present lines, it will have to make a broad division of goods and services into the essential and the non-essential, and ration the commodities classified as essential.

WHEN Sir John Simon first announced that the government was spending a million a week in order to keep down the prices of certain foods his policy became the object of severe attack and warm congratulation. The congratulation came mostly from the politicians, who saw in this scheme an unanswerable inducement to the trade unions not to press wage claims.

The attackers were the economists. They pointed out that by subsidizing food prices the government was in no sense influencing the causes of inflation, but only influencing the manifestation of inflation. That said that the government was regulating the thermometer when it should be regulating the temperature.

It is in fact unreasonable to view the government's policy in this direction from either the economic standpoint alone or the political standpoint alone. It is in the first place apparent that the holding down of the prices of bacon, milk, bread and other essential foods does undermine the argument for wage increases which is based upon the rising cost of living. For if it can be shown that the essential cost of living is stationary, and that the rises occur only in the luxury and semi-luxury categories, then the moral cause—and the political cause—for periodic wage increases is largely destroyed.

This is also the chief economic recommendation of the plan, for, while it cannot pretend to block the sources of inflationary tendencies, it can, by eliminating to some extent wages as the chaser of prices, prevent the development of the vicious spiral. Thus to some extent the particular sting,

that it is self-perpetuating, is taken out of inflation.

The normal effect of price increases is to reduce demand, and the corollary, that the reduction of prices at a level below which they would otherwise obtain, must stimulate consumption, would be a serious flaw in the government's case were it not for the fact of rationing. If the price subsidy scheme were confined to the scope of foods whose consumption was rationed it would not be possible to say that the government was working against its own policy of preventing inflation.

Purchasing Power

The point about inflation is that it can only be prevented if there is a reduction in consumption on ordinary account to balance the extra expenditure involved by war, beyond the point where that expenditure can be financed out of legitimate savings. And in this case, if by holding down prices the government increased consumption, the net inflationary effect would be the same, with the added consideration that the country would be laying £50 million a year out of the Treasury into the pockets of dairy farmers and such.

Yet there can be no denying that there is an absolute release of purchasing power in other directions, and if these directions lead towards relatively luxury goods that does not diminish the total inflationary effect. It does, however, mean that on political grounds the government is doing its duty.

Inflation attacks the man with the small income, and the smaller the in-



J. EDGAR COULTER, Toronto, who became president as well as general manager of the Canadian Pacific Express Company on April 1. He was previously vice-president and general manager. He has also been appointed a member of the board of directors.

come the greater the attack. Therefore, if the basic cost of living is held down, the divergence of purchasing power to semi-luxury categories, while it would in the long run have a similar inflationary effect, would not impose the same social burden as inflation which was general throughout the whole range of prices.

But it is all too clear that the basic scope of the scheme is too limited to achieve this object. Only the cloistered academician would say, when the prices of bread and milk and bacon were controlled, that there was control of all the vital elements which constitute the cost of living. There are many other categories, and they should be embraced in a broad scheme. And that scheme should ensure that every commodity included is also rationed.

Sooner or later, if the government continues along present lines, it will have to make a broad division of goods and services into the essential and the non-essential, and that division will have to be a real one, based on fact. It would be better if at this stage, at the very beginning of the inflationary move, the available volume of all such commodities classified as essential were rationed, and if the subsidy program were extended to embrace all their prices. The cost to the state would doubtless be considerable, but certainly it would be no greater than that which would result either from allowing inflation to go unchecked or from attempting to check the broad stream with a paper dam.

It should also be said that any withholding of wage claims on account of the development of the food-subsidy scheme so far will not endure once the inadequacy of the scheme is apparent. The political argument for a comprehensive scheme therefore supplements the economic one.

Western Oil and Oil Men

BY T. E. KEYES

WITH the bringing into production of the Franco Triangle No. 1 well, last week end, the Province of Saskatchewan can now boast of a second oil producer. This well is located on the Saskatchewan side of the Alberta-Saskatchewan boundary line about 3 miles south of the town of Lloydminster and about ½ mile south of the Franco-Shaw No. 3 well, which was Saskatchewan's first oil producer, and which was brought into production last Christmas Eve. The producing sand at the new producer was encountered at 1734 ft. and drilling was stopped at 1738 ft., where casing is being cemented.

President Charles H. Withers of the Triangle Oil and Gas Company, says that oil rose over 500 ft. in the hole and remained at that level although it was bailed continuously for about 12 hours.

Edward Delaney, a production expert from Los Angeles, is now in charge of the well, and is installing a sand packer, which will prevent the sand from coming into the hole and interfering with the pumps.

The Franco Vermilion No. 1 well located about 30 miles west of this well recently encountered a very large gas flow estimated at 65,000,000 cubic ft. per day, larger than the Standard of B.C. Steepleville well, which had a measured flow of 60,000,000 cubic ft. per day, after blowing wild for several weeks.

The irony of the B.C. Steepleville well is that there is no immediate market for the gas and therefore the well has no immediate cash value, but undoubtedly a market will eventually be found for it. The Steepleville well is capable of supplying the gas requirements of Calgary and Edmonton, presently being served by other fields.

It is estimated by W. J. Fulton, a heating expert, that during the time the Steepleville well was flowing wild, the heating value of the gas which went into the air was equal to 100,000 tons of domestic coal used in Ontario, with a dollars-and-cents value of about \$1,000,000.

As a result of the Aberhart Social Credit government's return to office in Alberta, I have had few letters

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from Easterners asking me what the new government was likely to do to the oil industry. I don't pretend to have any inside information, but from casual conversations with the Premier and his Minister of Lands and Mines, Hon. N. E. Tanner, and from the past record of the Aberhart government, I don't expect any change in policy in regard to the oil industry. The record of the government towards the oil industry in the last 5 years has been both sympathetic and constructive. It put into effect a conservation program, which its predecessor had tried, but failed to carry through. This program has received widespread favorable comment. It has encouraged the development of wildcat areas.

During the election campaign both public speakers and individuals exercised little control over their tongues, and many fairly wild statements and predictions were made, as to what was

going to happen in Alberta, if the Aberhart government was returned. However now that the elections are over, one can largely disregard these prejudiced or blue ruin predictions.

The McGillivray Royal Commission's report is expected to be released early this week, and I personally don't expect any drastic recommendations. The Commission's key witnesses, Dr. Frey of Washington and Dr. Brown, of Michigan State University, gave the industry a fairly clean bill of health.

The Alberta oil industry had an increase of 5000 bbls. a day in production last week, and a further increase is expected about April 15, when the spring demand for petroleum products on the farm begins. The recent increase was due to Imperial Oil re-opening its Regina refinery, which was closed down March 5, due to a fire at the plant.



"Aren't you glad your son
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AN X-RAY PICTURE of your lungs may give comforting reassurance that you do not have pulmonary tuberculosis. However, it might indicate the presence of the disease.

► Although Canada's death rate from tuberculosis was lower in 1939 than ever before, the distressing fact remains that this disease still is a major cause of suffering and death—and the leading cause of death among young people.

IT IS BETWEEN THE AGES OF 15 AND 30 that the disease claims its greatest number of victims. So, to mothers and fathers who have reason to worry about their children's lungs, and to young people within these age limits, the X-ray can be a friend indeed.

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More and more schools and other educational institutions are making available facilities for regularly checking the health of all their students. Progressive industries and communities are learning the economic benefits of discovering tuberculous cases early within large groups of people where the disease is apt to spread. Many communities already are offering tuberculin

tests and X-ray examinations at low cost, or even free to those unable to pay.

► Of course, such examination is even more imperative in the case of those who are known to have been exposed to infection from a person who has active tuberculosis. Also in cases where the most common warning symptoms of tuberculosis are present, such as—persistent pain in the chest, constant sense of fatigue, loss of weight, frequent indigestion or lack of appetite, persistent cough or hoarseness, spitting of blood, afternoon rises in temperature.

Since medical science is today better able than ever to diagnose tuberculosis early, and to cure it when discovered early, the best way to stamp out this disease is to detect early cases and so prevent its spread.

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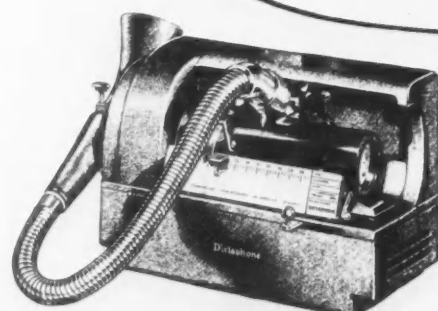
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Suits and Coats for Town and Travel Activities



URBAN IMPROVEMENTS

THE suit is the backbone of every woman's wardrobe once furs and winter garments have joyfully been consigned to the cold storage vaults. It is the one costume that bridges the uncertainties of spring weather and goes on into summer and early fall with perfect savoirre faire. The two suits pictured at the top of this page show the long and the short of the jacket situation this season. Between these are many other lengths of which perhaps the most talked-about is the very new length which imparts that marvellous long line to the torso. Let us introduce the town suits shown here:

LEFT:

For wear far into the spring and summer, an ensemble with full length soft wool coat in blue and a dress in a lighter shade with white flower print. The tiny heart-shaped straw hat on which Lilly Dache puts a gay spear of flowers and a wide-meshed veil, and a soft pouch bag of wool made on a wide wooden frame, point to importance of accessories in assembling a costume.

RIGHT:

Soft blue wool makes a youthful and flattering bolero suit with exhilarating white accents of pique cuffs and ruching at the neck, worn with a navy sailor trimmed with white pique around the brim. A red alligator bag with wooden frame adds a dashing color note.



TOWN AND COUNTRY

CHECKS and plaids are something to be reckoned with this spring in the more casual suits. They get around too much to be ignored by anyone who isn't color-blind—not that anyone would want to ignore their charms. The Californian influence is said to be responsible for all the plaids which intermingle pastel shades in dulcet harmony, while the more orthodox checks and plaids are in their hey-day. The group of suits seen below lend their smartness with equal amiability to town, country or travel purposes:

LEFT:

Subdued grey plaid with a deep red cross-bar in light weight wool, makes a dress with wide pleated skirt and tailored jacket. A perky hat of the same fabric with feathers matching the red in the plaid.

BELOW:

A perfect costume for town and country is this beige and green checked woolen ensemble with a soft full topcoat, snug fitting jacket and beautifully gored skirt. The beige in the jacket is the same tone as the background of the check. Wool bag with gold monogram.

RIGHT:

Blue with beige and brown combines to make a softly toned plaid wool suit of noteworthy cut and detail. The jacket is slightly longer than usual, single-breasted with a high closing and four pockets.

—Photographs by Bureau of Fashion Trends.



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MUSICAL EVENTS

Tschaikowsky Wins An Election

BY HECTOR CHARLESWORTH

FOLLOWING public tendency, the Toronto Symphony Orchestra recently held an election by ballot. It was held to ascertain what compositions the local public would like to hear on a "request" program. Tschaikowsky won with his Fifth Symphony and the "Romeo and Juliet" Overture. Bach was a close second, with the Second Brandenburg Concerto. The two composers represent contrasted schools of thought, and Sir Ernest MacMillan obeyed the mandate at the season's last T.S.O. concert in Massey Hall which by a coincidence fell on March 26. He performed his task so well that presumably the country is safe.

Though there are symphonies I like better than Tschaikowsky's Fifth, it is the best of his three surviving works in that form. Structurally it is more coherent and symmetrical, with a haunting central melody that ties all the movements together in a fascinating way. It was played with glowing richness of tonal effect, emotional appeal and brilliance of attack. Sir Ernest has never shown more vitality and clean-cut efficiency than in the massive concluding movement. Equally brilliant was his rendering of the "Romeo and Juliet" overture, magnificent in emotional urge, imaginative beauty and wealth of invention.

The Bach offerings were representative of the joyous lyrical side of Bach's genius. They began with Ettore Mazzoleni's transcription of the Chorale-Prelude "A Noble Fortress is Our Lord" on a melody usually ascribed to Luther. It is one of three Bach transcriptions made some time ago for the orchestra of Les Concerts Symphoniques de Montreal, and Mr. Mazzoleni has shown remarkable skill and ingenuity in transferring organ effects to a different medium. Holst's Transcription of a Fugue, "A la Gigue," as a program note happily put it, has "a delightful natural tunefulness and rhythm that appeal even

to those who still believe that a Bach fugue must be a stuffy experience."

The Second Brandenburg Concerto was one of T.S.O.'s successes last autumn, with its solo parts for four able section leaders, flute (Mr. Bradfield); oboe (Mr. Fleischer); trumpet (Mr. Williams) and violin (Mr. Spivak). All were in splendid form, and the general effect was captivating. Then there was the Concerto in D minor for two violins and strings. The soloists were the Concertmaster, Elie Spivak and Harold Sumberg, leader of the second violins. Both are artists of high accomplishment with beautiful tone and technical fluency.

Flagstad the Majestic

Clad in imperial purple that seemed to suit her personality, her voice and her art, Kirsten Flagstad enthralled listeners at a recent recital in Eaton Auditorium, postponed for two months because of illness. It was obvious that enforced rest had renewed the grandeur of her tones.

Apart from her unlimited tonal resources, she is supreme in dignity and simplicity of style. Her production is unique because nobody can tell just when and how she breathes, though her sustaining power is amazing. With prima donnas of the larger mould we are accustomed to heaving bosoms, but nothing seems to stir behind Madame Flagstad's corsage. The tones flood forth spontaneously with no sign of effort. The nobility of her expression and style were best exemplified in three Immortal arias beginning with "Ah, Perfidio" from Beethoven's "Fidelio." In the initial passage when Leonora pours forth hatred and anguish against the tyrant who is torturing her husband, the singer's declamatory attack told the whole story with entrancing beauty and poignancy. The other arias were from "Tannhauser;" Elizabeth's Prayer was sung with flawless emotional appeal; and

"Dich Theure Halle" with indescribable majesty and elation.

Instead of the customary German lieder she confined herself to lyrics in Norwegian and Swedish. Especially lovely were Sinding's "Cry of a Bird" and Merikanto's "The Wood Pigeon's Call." Grieg figured largely, and for "Ich Liebe Dich" Madame Flagstad's distinguished accompanist hopped down to the organ. As an organist Edwin McArthur is an admirable pianist; and the only reason one could think of for the innovation was that "Ich Liebe Dich" is often sung to the organ at weddings. A capital new song by Mr. McArthur, "We Have Turned Again Home," gave the singer an admirable opportunity to display the bell-like beauty of her top notes. Most of her English songs, which, with the exception of Deems Taylor's "Song for Lovers" were not very interesting, seemed to have been chosen for the same reason.

Superb French Pianism

The recital of Robert Casadesus at Eaton Auditorium was unique in a season marked by the visits of several superb pianists, because typically French Pianoforte music was interpreted in complete perfection. His technique embraces every excellence that could be demanded of a pianist—beautiful touch and singing tone, flawless and elastic execution, well-governed power, intellectual distinction and poetic imagination.

The most entrancing section was a group of five works by Rameau (1683-1764). Though Casadesus invoked all the resources of the modern pianoforte he also provided a suggestion of harpsichord technique that reflected their epoch. A set of variations on a gavotte theme was amazing in color and contrast; but Rameau was in the main a descriptive composer. "Return of the Birds" had a captivating suggestion of bird-song. "The Cyclops" and "The Savages" had war-like qualities of utterance, amazing when one considers that they were written for the harpsichord. A fantasy bearing the unique title "The Simpleton" was remarkable in ingenuity and imagination.

Ravel always claimed to be the artistic heir of Couperin and Rameau, and when Casadesus played his "Sonatine," one realized what he meant. The rendering was a triumph of nuance and elusive delicacy. Chabrier has been dead for 46 years, and though everyone is familiar with his orchestral piece "Espana," I, for one, had never previously heard his "Bourrée Fantasque," so brilliant that it sounded as though it might have been composed by Bela Bartok. Nobody else can play Debussy like Casadesus. His technical expertness in "Fireworks" was almost incredible and "General Levine" was imbued with piquant humor.

His rendering of Schumann's "Etudes Symphoniques" was French rather than Teutonic in style, but magnificent in its dynamics and handling of climaxes and his Chopin interpretations were equally impressive. Steadiness of rhythm marked the Polonaise, opus 44, and the rendering was wonderful in sustained fervor. Sheer loveliness pervaded the Berceuse, opus 57, and his pedalling in the Tarantelle, opus 43, produced a glorious singing tone. When he gave Mazurka he brought forth the racy, peasant quality this dance-form demands.

Charlotte Lockwood, a very gifted young American organist, was guest soloist of the Casavant Society's most recent musicale in Eaton Auditorium. Mastery of her instrument and radiant musical intelligence mark her interpretations. It is not generally realized that John Wesley, founder of Methodism, had distinguished relatives other than the Duke of Wellington. One was his nephew Samuel Wesley, the most distinguished organist of his time. Miss Lockwood played his brilliant Gavotte in F, and the modern English school was represented in a Pastoral by Robin Milford.

The first of a new series of broadcasts by the Montreal Orchestra under the direction of Dr. Douglas Clarke, Dean of the Faculty of Music, McGill University, began on April 2. The portion of the program heard over the air included the noble "Tragic Overture" of Brahms, the Delius Idyl, "On Hearing the First Cuckoo in Spring," and Mendelssohn's mellifluous Italian Symphony.

Harry Norris, former musical director of the D'Oyly Carte Opera Company, now resident in Montreal, recently gave an amusing talk over the air on "Frederick's Coming of Age." It dealt with the hero of "Pirates of Penzance" who was born on February 29. During his eleven seasons with D'Oyly Carte, Mr. Norris conducted 4,334 performances of Gilbert and Sullivan and was with the organization in all tours of Canada up to 1929. Since settling in Montreal he has conducted precisely one hundred amateur performances of the same masterpieces. He is director of the Teachers' Music Section of the Montreal Protestant School Commission, the McGill University Glee Club, and several other organizations.

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FILM PARADE

You Can't Believe Anything

BY MARY LOWREY ROSS

PRESIDENT ROOSEVELT has pointed out that propaganda must be taken with at least three grains of salt. And of course the next step is to realize that everything is propaganda and you might as well use the whole salt-shaker.

There was, for instance, the "Canada At War" episode. When the news broke that the March of Time film had been suppressed till after the election it looked on the obvious reading as though Mr. Hepburn were trying to embarrass Mr. King. But things happened so rapidly in the following

week that it became necessary to reverse the decision. Mr. King himself had contrived the whole episode to embarrass Mr. Hepburn.

There was a wild improbability about this theory that endeared it. But Time marched on, and it became apparent that Mr. King, a politician of moderate, if finished tactics, would hardly have gone to such excessive lengths of propaganda. No, the whole thing, clearly was non-political in origin. The March of Time people had probably suppressed the film themselves, as a publicity plot, and

HOLT RENFREW

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Yonge at Adelaide



JOAN EDWARDS, petite brunette songstress, who heads Paul Whiteman's entirely new stage-show which comes to Massey Hall on April 9.

had signed up Mr. Hepburn to help along the promotion.

This theory looked pretty good up till last week. Just before the election a local theatre had posted a notice in the lobby advertising the next week's program: NOW you will be able to see "Canada At War." (It wasn't posted out front, but modestly inside the lobby, as though the manager were a little afraid Mr. Hepburn might catch sight of it, while strolling down the sunny side of the street, and close the theatre.) A few days later the management withdrew the offer. Because of a program hold-over, it was announced, "Canada At War" was postponed for another week; and we were left to draw our own conclusions.

FOLLOWING Mr. Roosevelt's suggestion I took three grains of salt and decided that there wouldn't be any "Canada At War" next week either. The next step was to conclude there never had been such a film as "Canada At War." The final stage—to convince oneself that there never was such a person as Mr. Mitchell Hepburn—was more difficult to manage, but it gets easier as Time passes—or marches—on.

Of course there are plenty of press accounts both of Mr. Hepburn and of "Canada At War," together with page layouts and quantities of vociferous opinion. Any number of people have seen and described both of them. But any number of reputable people, including two members of parliament and their wives, have seen and described Ogopogo, the legendary inhabitant of Ogopogo Lake. And until I actually lay eyes on "Canada At War," or Mr. Hepburn or Ogopogo, I don't actually have to believe in any of them.

The new faith in total disbelief simplifies everything enormously. You can apply it to anyone who represents an invisible affliction, from Mr. Hitler to the lady on your party line... However, as far as "Canada At War" is concerned, I'm still willing to keep an open mind—at any rate to the extent of hoping that if it ever does light on an Ontario screen the management will put three grains of salt on its tail to hold it till I get there.

"REBECCA" is Alfred Hitchcock's first picture in America; and Mr. Hitchcock seems to be quite as much at home in Hollywood as he was in Elstree, playing all his best tricks of mood and suspense against the prodigious setting that David O. Selznick has provided for him.

"Rebecca" is pure nineteenth-century material, even if it does happen to be one of yesterday's best sellers. Its passions, like its settings, are sumptuous beyond compare, and Mr. Hitchcock has done them complete justice without allowing them to pull more than their own weight against the plot. The characters here con-

tribute largely to the old-fashioned quality of the story. They are brooding, mad, diabolical, or reticent to the point of stupefaction. The result is that the second Mrs. de Winter (Joan Fontaine) wanders about for two hours in a state of terrified conjecture when any one of a dozen people could have straightened things out for her in five minutes by speaking up briskly. You may wonder, too, why the hero (Laurence Olivier) should have entrusted his domestic affairs as well as his wife to a homicidal housekeeper with a taste for arson... Alfred Hitchcock has got round most of the difficulties of characterization by keep the mood of the picture so ominous that the behavior of the people, however irrational, is always highly absorbing. "Rebecca" is first rate melodrama which owes more to Mr. Hitchcock's craftsmanship as director than to Miss du Maurier's talent as novelist.

ROBERT MONTGOMERY is one of Hollywood's most persevering young men, an actor determined to get where he wants if he has to make his way over a whole series of box-office flops. In "The Earl of Chicago" he is "Silky," an ex-gangster, who goes to England to inherit an ancient earldom. There he commits murder, is formally tried by his peers and elegantly executed in full Court regalia. Mr. Montgomery's performance is extraordinarily good, but the picture itself manages to turn feudal pomp into cinema stuffiness and all the Montgomery talent and versatility can't save it in the end.

COMING EVENTS

FEW plays have come to Toronto this season under such auspicious auspices as does "The Little Foxes." Tallulah Bankhead starred, which will continue its two-season national tour at the Royal Alexandra Theatre Monday evening, April 8, after a year's engagement at the National Theatre, New York.

The second major play of Playwright Lillian Hellman, author of "The Children's Hour," one of the most profitable attractions in the career of Producer Herman Shumlin, —a career which has embraced such hits as "Grand Hotel," "The Last Mile," the above-mentioned "The Children's Hour" and most recently, the new James Thurber-Elliott Nugent comedy, "The Male Animal," the outstanding triumph of Miss Bankhead's American career, "The Little Foxes," was hailed by press and public immediately upon its opening in New York.

Richard Watts, Jr., critic for the *Herald-Tribune*, declared: "Lillian Hellman's new play is more honest, more pointed and more brilliant than even her 'The Children's Hour.' Here



A SCENE FROM "THE LITTLE FOXES", the drama which comes to the Royal Alexandra Theatre, Toronto, next week. In the photograph are Tallulah Bankhead, Frank Conroy, Charles Dingle and standing, Dan Duryea and Carl Benton Reid.



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is another fine and important American drama. Miss Tallulah Bankhead offers the finest performance of her career. At last Miss Bankhead has a role and a play worthy of her. "The Little Foxes" is an important and distinguished play.

The *Journal-American's* John Anderson declared it "a drama so taut and absorbing that I couldn't take my eyes off the stage. Tallulah Bankhead has at last a new play worthy of her best performance. A haven for playgoers."

These were typical of the daily press and the weeklies were no less enthusiastic. *Life* declared that Miss Bankhead "fills, for the first time, a role carved big and fierce enough for her talent. Against the cold, steely force of the year's strongest play, the glitter of her acting lights up a whole era of American history." *Time* called it "the season's most tense and biting drama."

PHYLLIS PARKER, Winnipeg violinist, is making her professional debut at the Conservatory Concert Hall, Toronto, on April tenth.

Margaret Parsons, another artist from the West, will be at the piano, and included on the program will be works by Handel, Bach, César Franck, and the first performance of a work by Elie Spivak.

Mr. F. Ashton-Gwatkin and Mr. A. K. Hein of Washington, were recent guests of the High Commissioner for the United Kingdom and Lady Campbell, at "Earncliffe," Ottawa. Colonel and Mrs. K. R. Marshall, of Toronto, have sailed on the President Roosevelt for Bermuda.

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ABOUT FOOD

Cake for Poor Fish

BY JANET MARCH

MR. WALT DISNEY'S ingenuity is always a pleasure. When it still registers after an hour's fight to enter the theatre, find four seats and fill three of them with little ones, their mitts, coats, berets and scarves, and plop yourself wearily into the fourth,—he must be a great man. Those last twenty minutes on the stairs, when two boys were kicking your legs just for something to do, and the white hopes in your charge said at intervals of one minute "Why doesn't he let us in?" were enough to produce a quite permanent discouragement with the silver screen.

There we were at last with all the characters Disneyized, but charming, and with the sequence destroyed by seeing the last thirty minutes first. One of the difficulties of a ninety-minute cartoon is that you can't assimilate all the nicer details in one showing. Figaro is a beautiful cat and does all the catty things so well. The underseas pictures of fish would make perfect bathroom wall decorations, and no doubt the originals will grace some millionaire's extravaganza of a bathroom. Please, Mr. Disney, what about a little fish wall paper for the poorer families to enjoy while they lie immersed?

Particularly engaging is the school of sea horses. Jiminy, that rake of a cricket with a heart of gold, rode round on the biggest. Everyone remembers from his own youth the sad thing which happened to Pinocchio's nose when he told lies to the Blue Fairy. It went on and on growing with every lie. It remained for Disney to make the wooden nose branch, leaf and blossom, and finally acquire a nest with birds in it.

Of all the engaging details woven into the picture one that pleased the writer of a food column the most was the meal that Gepetto had prepared for Figaro, his cat, and Cleo, the gold fish. The cat's dinner was fish, delicately browned and served with all the trimmings, parsley, lemon and tomato sauce on a little platter. Cleo, the gold fish, got a large piece of chocolate cake, heavily iced, tied with pink ribbon and lowered into the bowl. Disney knows his women folk! Winter is nearly over and when winter goes some of the importance of afternoon tea goes with it. So let's have a last go at the chocolate cake.

Tea is such a good meal at which to clear up your minor social debts. That friend of the family is no doubt a bore, but ask her at five o'clock and she can't stay very long. The girl, too, you have never met, who has just moved here and someone has asked you to do something for her. Have her to tea and see if she is a glamorous blonde or a spectacled intellectual. Tea and crumpets bring out the best in most women, and there are few chances for the conversation to languish with all the mechanics of the tea table to see to.

Cinnamon toast, or toast spread with maple butter, are old standbys, but they are good and rank next to the crumpet which so soon will be going into summer retirement. Little hot tea-biscuits, plain or with cheese,—or if you want to go into something a little fancier,—toast rolled around asparagus tips, or spread with a mixture of chopped mushrooms and butter both make good sellers provided they aren't allowed to stand and wait for the arrival of the late guest. It seems silly to go into the sandwich question when summer is so nearby here, and the muffin dish will so soon be out of business. Let's give it a little more use.

Everyone, as well as Cleo, the gold fish, likes chocolate cake and nearly

every household has a tried and true recipe for it. For a change try this:

Date Cake

- 2 cups of pitted dates
- 1 teaspoonful of baking soda
- 1 cup of boiling water
- 1 cup of brown sugar
- ½ cup of milk
- 2 eggs
- 4 squares of unsweetened chocolate
- 1 teaspoon of vanilla
- 1 cup of brown sugar
- ½ cup of shortening
- 2 cups of flour
- 1 teaspoon of baking soda
- ¼ teaspoon of salt.

Chop the dates into small pieces, and sprinkle the first teaspoonful of baking soda over them, then pour on the cup of boiling water and let the dates stand till they are cool. Cook the cup of brown sugar, the milk, and the chocolate for ten minutes, add the vanilla and let cool. Cream the shortening and add the other cup of brown sugar to it and cream thoroughly. Add the eggs slightly beaten one at a time, then sift in the flour mixed with the other teaspoon of baking soda and the salt. Add the chocolate mixture and stir thoroughly, and then the date mixture and stir again. Bake for about forty-five minutes in a 350 oven. Like all date mixtures this cake will keep moist and good for some time. If you don't think it's too rich put a chocolate icing on top.

Maple Buns

- 4 cups of flour
- 1 teaspoon of salt
- 4½ teaspoons of baking powder
- 1/3 cup of butter
- Milk

Work the butter into the dry ingredients with your fingers and add just enough milk to make dough. Roll the dough out thin, and spread with butter and maple or brown sugar, if you can't get maple. Roll up and slice, and put the slices on a buttered pan. Bake in a hot oven, and when they are done spread melted sugar over the top and put back in the oven for a few minutes.

Jelly Roll

Jelly Roll is good for tea and is useful to go with the stewed fruit which you produce as a desert on the maid's night out. Beat the yolks of three eggs with one cup of sugar, and add two tablespoons of milk. Beat the whites till they are frothy, and add them. Sift a cup of flour with a teaspoonful of baking powder and add to the other mixture. Flavor with a little lemon juice. Bake in an oblong pan at once, not letting it stand at all. Remove from the oven and while it is still hot put it on a cloth wrung out of cold water. Spread with jelly or jam, and roll quickly. Sprinkle with powdered sugar.

Gold Cake

This makes a good foundation for your favorite icing.

- ½ cup of butter
- ½ cup of milk
- 1 cup of sugar
- 2 cups of flour
- 4 egg yolks
- 2 teaspoons of baking powder.

Cream the butter and sugar, add the milk, and sift in the flour and baking powder. Add a dash of vanilla and the egg yolks last.



THE FRESHNESS OF PRINT is translated into the semi-tailored lines of a suit for warmer-weather wear. The print is in tones of violet and blue, and is trimmed with a guimpe of white organdy.

ART AND ARTISTS

The Adolescent as Artist

BY GRAHAM McINNES

SOMEWHERE along the rough and thorny path of child art, the child ceases to paint purely from within, and starts looking at the world with a good deal of care; he also ceases to get the "intuitive" effects which cause such oh-ing and ah-ing along the Freudian Front; he becomes sophisticated. The miraculous results achieved by children of 3 to 10 begin to fade as the adolescent becomes self-conscious. During the critical years of 12 to 15 enlightened instruction will largely determine whether the child is to become an artist, or whether he will merely recall having once been a child artist. It is at this crucial point that H. Garnard Kettle takes hold of the boys of Upper Canada College in Toronto, and, as you can see at the Picture Loan Society, guides them along with a sensitive hand and a sane understanding that produces very fine results.

These boys are encouraged to observe, to experiment, to discipline themselves. Their paintings emerge, quite definitely, as works of art, even if of small stature. They are conscious efforts, in which color, texture, decorative motifs are blended only after a struggle. There are perhaps half a dozen paintings here which are a good deal better than much adult art seen at our local shows. And they are better by the adult standard. Boys of this age who paint as interestingly as these young painters do, offer real hope for the coming generation of Canadian artists. Were they even two or three years younger, you might feel that the self-consciousness of adolescence would throw them off their stride. But these boys have passed through a most difficult stage, and are still painting well.

ALSO at the Picture Loan Society is an exhibition of photographs by Haanel Cassidy. Mr. Cassidy will be remembered for his Hawaiian studies which were shown here about a year ago. The present show consists of studies in and around Toronto, and Mr. Cassidy's penetrating eye has discovered compositions as lovely as any on the palm-fringed shores of Waikiki. Mr. Cassidy's vision, though unusual, is extremely direct; and his all-absorbing interest in pattern and texture leads him to discover the most exquisite effects in the simplest arrangements of objects. He ranges from stark realism to the burled beauty of a fine drypoint, but always it is the pattern of things and the contrast of their textures that absorb him. Especially interesting are his farm and snow studies.

THE latest of the Hogarth Sixpenny Pamphlets (Longmans Green, 15 cents) deals with "The Artist and his Public," and comes from the pen of Graham Bell, member of the Euston Road Group of painters, and writer in "The New Statesman." Mr. Bell contends that modern painting is decadent, and this is due to "the general decadence of capitalist society." Assuming either of these very sweeping statements to be true, how is the situation to be remedied? By education? Mr. Bell says no; for education "only substitutes new snobisms and falsifications for old." How then? Mr. Bell tilts amusingly, and with heat at Bolton, the Academy, middle class smugness, phoney revivalism and so on. He spends nearly a third of his space discussing Picasso, Rivera and

William Coldstream. But his pamphlet is rather the not-so-divine discontent of the aesthete in the midst of the Philistines, than the active rage of the fighter. By offering, as the only solution to the artist's problem "a basic remedy for society as a whole" (i.e. some kind of cataclysmic change in society), he snies away from the real problem: to pull art up by its bootstraps in circumstances hostile to art. Mr. Bell has not thought out his remedy thoroughly. Change society, he says in effect, and you'll change art. In other words, cut the Gordian knot. This is the easy way out—the escapist way out. (Incidentally, Mr. Bell, though admiring, Picasso, Rivera, prefers Bonnard, Sickert; though deploring the division between art and industry, sides with the art pur devotees.) "The prime condition of untying the knot," as Mumford says, is that "the rope itself shall be unharmed. Though the sword may quickly undo the knot, it leaves the difficulties symbolized by the knot unsolved." We must accept the limitations imposed on us by the social framework we live in, and fight to make good within that framework. It's noteworthy that Mr. Bell makes no reference whatever to North American art, which has marched farthest along this road.

FOR a good example of modern British art that is certainly not decadent, you have only to visit Mellors Galleries, 759 Yonge Street, Toronto, where an exhibition of the work of R. O. Dunlop is on view. This fine Scottish landscape painter attacks rural England with vigor, a rich sense of paint, a luminous freedom of movement, while preserving a realistic outlook. It's cheering, at the end of a rather flat season, to see examples of fine contemporary English work coming here, and we may hope that a precedent has been set. Also on view are canvases by Sickert, Steer, a drawing by Augustus John, Picasso bronzes. At the Mallory Galleries on Grenville Street, Toronto, pupils of J. W. Beatty, R.C.A. are holding their annual exhibition. Some forty students are represented by over 100 paintings, and a pleasing lack of rigid uniformity is evident. There is some promising work, particularly by Agnes Lynch and V. Goglan.

SCULPTURE exhibitions are all too rare, and the small show by a group of eleven sculptors, now on view at the Women's Art Association, 23 Prince Arthur Avenue, Toronto, is therefore all the more welcome. Elizabeth Wyn Wood shows an austere statue of a woman with a fish. Jacobine Jones a delightful colt. Florence Wyle's charming painted plaques, Donald Stewart's graceful little statuette, Eugenia Berlin's ceramic sculpture and Stephen Trenka's very sensitive wood carvings are all interesting. The tremendous financial outlay involved in sculpture keeps production at a minimum, and this perhaps is one reason why we so rarely see such exhibitions. Such shows as this underline the crying necessity for some equivalent to the Federal Art Project in the U.S., where one per cent of the cost of every public building must be allotted to decoration. We have fine sculptors, but their market is pitifully small.



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CANADIAN NATIONAL



MISS FLORENCE MARY EATON, whose engagement to Mr. Frank Flavell McEachren, was recently announced from Eaton Hall, King, Ont. Miss Eaton is the daughter of Lady Eaton and the late Sir John Craig Eaton, and granddaughter of the late Mr. and Mrs. Timothy Eaton and of the late Mr. and Mrs. John McCrea of Omamee. Mr. McEachren is the only son of Mrs. Clara Flavell McEachren and Mr. Frank Y. McEachren, Toronto, and grandson of the late Sir Joseph and Lady Flavell of "Holwood," Queen's Park, Toronto. The marriage will take place the latter part of May.

WORLD of WOMEN

Business Intelligence Department

BY BERNICE COFFEY

THE exquisite timing that goes into the teamwork of a business executive and an experienced secretary is wonderful to behold. If you happen to be around there is no better time to observe it in action than when there is a caller to be eased out so

the caller can be eased out so the other fumbles the pass, and the results are telling.

Take the strange case of Mr. J. and his new secretary. Shortly after she came into his employ he informed her that two quick signals on the buzzer concealed beneath his desk meant that he needed help. In other words, she must enter his office with some message that would diplomatically indicate to his callers that their time was up.

Miss Winkle had been his secretary about two weeks when he had two important visitors who, when their business had been completed, seemed prepared to spend the rest of the afternoon in an aimless discussion of the election. So he gave the signal for help—two quick buzzes.

His office door opened promptly, and Miss Winkle stood there with an inquiring look in her eye. "Did you ring for me, Mr. J.?"

Mr. J. swallowed hard and answered, "No, Miss Winkle."

Five minutes later he again rang the signal. And again Miss Winkle stood there asking if he had rung for her.

His callers launched into a new angle on the election. And again he rang. When Miss Winkle appeared Mr. J. broke out into a cold perspiration and told the girl, for whom he was beginning to nurture an undying hatred, that there must have been some mistake.

A half hour later, in desperation and fury, he punched the buzzer hoping to heaven that by this time the light of understanding would break in the mind of That Girl.

Evidently the light had broken, for five minutes later a very large policeman stood in the doorway demanding, "Now, wh-a-t's going on in here? This young lady," indicating with a nod of his head the big-eyed Miss Winkle who stood behind him, "says you need help."

After getting rid of the puzzled representative of the law, Mr. J., who knew when he was beaten, took his guests off to his club where they could continue their discussion.

At present there is an opening in Mr. J.'s office for some bright girl with secretarial experience.

At The Red Cross

If anyone is entertaining any doubts as to the active part Canadian women are playing in this war, we suggest that they drop around to the nearest Red Cross headquarters.

The other day we spent an hour at the headquarters for Toronto—which probably is typical of similar quarters

throughout Canada. It is located in an enormous rambling old-fashioned house on Sherbourne Street, and is jammed to the roof with incoming and outgoing supplies and white clad voluntary workers. The whole atmosphere is one of crowded orderliness and purpose.

One of the largest rooms has walls lined from floor to ceiling with surgical supplies. Another is filled with the bulky woolies knitted on the needles of those contributing to the work. Twice a week approximately 1,300 to 1,400 knitted garments are shipped out from this room alone. All have to be received, checked and bundled up before being relayed to their destinations.

Another large room is occupied by rows of sewing machines, and another is filled with the clattering of typewriters operated by voluntary typists. There's a multigraphing machine, too, which for lack of space elsewhere occupies one of the bathrooms. The accounting department is off by itself in what was once a carriage house. None of the voluntary workers engaged in this part of the work have had any previous experience. Apparently they manage very well, though, because the auditors have paid them compliments on the excellence of their bookkeeping.

Patterns for garments made by the hundreds by outside groups are cut here from brown paper, and there's an interesting group of garments which tells how much may be made from little. Children's panties are fashioned from small pieces left over from the making of soldier's hospital pajamas. Bits of thick blue flannel left from the making of pneumonia jackets are made into attractive jackets for infants. More small pieces salvaged from dressing-gown material are fashioned into warmly lined outdoor helmets for children. Or a



URBANITE. The costume suit is all-important in a Spring of soft ladylike fashions. This sheer wool coat, with its dressmaker tucking, is worn over a colorful print dressmaker frock. ST. REGIS ROOM—THIRD FLOOR

Simpson's

piece of felt becomes a pair of house-slippers for a small child. Nothing is wasted—not even long narrow strips of material which serve very well when stitched together lengthwise to make a cozy flannel blanket for some child's bed. The sight of these Red Cross garments is a revelation in thrift and ingenuity.

Message of Cheer

Several Finnish mothers will find a friendly little message of encouragement in the infants' clothes made by some Canadian woman as her contribution to the Red Cross for Finnish relief.

Each tiny garment bears a "name tape" which carries the words "God Bless You." Perhaps the message will prove a talisman for the little one who wears it.

Fair Enough

The following story was related by a man who was invited recently to speak before a group of women:

His young son, age ten, while paying a short visit to his grandmother gallantly insisted that she be his guest at least part of the time. When she consented to the arrangement he informed her that he would take her

for a few-boat ride on a nearby river. Grandmother was what is sometimes known as "a poor sailor," but gallantly concealed her feelings and gave every indication of having enjoyed the unnerving water trip.

On arrival back to terra firma she expressed her appreciation of the afternoon's entertainment. But now it was her turn to be hostess. Would her grandson be her guest at dinner at her club?

He assured her he would be delighted.

"I think I should tell you that it is a ladies' club, and there may not be other men there," she warned him.

This was considered gravely, then the youngster replied, "Well, grandmother, women have never done me any harm. I'll accept your invitation."

TRAVELERS

His Honor the Lieutenant-Governor of Ontario and Mrs. Albert Matthews have left Toronto for Victoria, B.C., spending a day en route in Edmonton, where the Lieutenant-Governor of Alberta and Mrs. J. C. Bowen entertained in their honor. During the latter part of their stay in Victoria His Honor and Mrs. Matthews will be guests of Hon. E. W. Hamber, Lieutenant-Governor of British Columbia,

and Mrs. Hamber at Government House, and they will return to Toronto on April 24.

Mr. and Mrs. J. B. Smith of Winnipeg and their sons, Mr. Gordon and Mr. Marshall Smith, have gone to Toronto to live, and have taken a house on Warren Road. Mr. Marshall Smith is leaving shortly for Kingston.

Mrs. W. W. Southam has returned to Vancouver after an extended visit in Florida and in Eastern Canada.

Mrs. R. H. B. Ker of Victoria, who went south a few weeks ago to join her father, Mr. F. Nation of Victoria, who is wintering in Pasadena, California, has returned home.

Mrs. Lawrence Jackson, of Toronto, is spending a month with her mother, Mrs. Charles Brennan of Ottawa, in California.

Mrs. Eric L. Harvie, of Calgary, who spent three weeks in Pasadena, California, with her parents, Mr. and Mrs. F. N. Southam, recently returned to Calgary by airplane.

Mr. and Mrs. David Kilgour, who have been in Florida and eastern Canada have returned to Winnipeg by motor.

Hon. Philippe Roy, who left in December to visit his daughter, Madame Alfredo Mejia, in San Salvador, Central America, has returned to Montreal.

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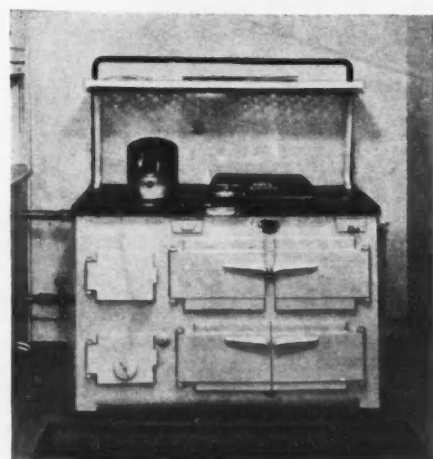
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THEN AND NOW . . . (Left) This, believe it or not, was one of the smartest frocks worn at Ascot in 1927 . . . (Center) The dress and hat were the newest thing in 1910—visible proof, by the way, that today's hats are unfairly maligned . . . (Right) And the modern town suit of 1940.

WORLD of WOMEN

March Of Time in The Salon

BY ISABEL MORGAN

THE opening of the Twentieth Century marked the beginning of the end of the reign of "the great beauty." Lillian Russell, Maxine Elliott, Lily Langtry, and a few others were women whose beauty was almost legendary—not only because they possessed great natural beauty according to the full-blown standards of the time—but because the powerful combination of Big Business and Chemistry had yet to put beauty on a mass production basis.

Today few will fail to acknowledge every woman's right to make the most of her appearance. It is regarded as a matter of course that she should, and so conditioned has public opinion become to cosmetics that today it is the woman who fails to use them who attracts curious comment.

The beauty business as we know it today really got off to a start when M. Marcel made the discovery that by turning and twisting his curling iron a certain way hair could be given the flat undulating wave that became famous as "the Marcel Wave."

Those years which began a new century were exciting years. The words "Women's Suffrage" were being bandied about, women were riding into the business world atop the typewriter and the hussies were "painting" their faces. Churchmen railed from their pulpits, magazine editors took their pens in hand to register disapproval and men—many women, too—wondered what the world was coming to.

The typical fashionable beauty parlor of those years was, according to a description we unearthed recently, a place of dull green lattices; little gateways hung with roses; diamond panes set in wood; amber lights hung deep in tiny bowers. It was called The French Gilt Shop, The Delft Blue Shop or The Hare's Foot.

Regulations of methods or standards of sanitation were almost non-existent. And it was whispered that operators burnt hair so that they would get a commission for curls, puffs, switches or transformations sold to cover up the damage. And the following gloomy picture was painted by the pen of a woman who in 1910 wrote an article titled, "Why I Stopped Being A Beauty Specialist"—"The hair-dressers were men, English and French. Most of them were inveterate gamblers, and their morals and conversation such that, when I saw young, unchaperoned girls enter their curtained booths for 'a loose wave' or 'a Marcel,' I trembled and wondered why their mothers took such risks."

"She Paints Her Face"

Make-up was crude by today's standards. French rice powder was limited to two or three shades—pure white which made those using it look as if they had just emerged face first from a flour-barrel, or a violent pink. It was applied surreptitiously with a camellia cloth.

Those who yearned to reduce were invited to try "Fatoff (Mrs. Borden's Obesity Cream)" and the advertisements of the times told the world of the advantages of "Blush of Youth"—"as refreshing as concentrated dew, pure as purity. It overcomes all inactivity and imperfection of the skin and underlying structure; spiritualizes the expression and gives the countenance the glow, lustre and beauty of childhood, and preserves the morning of life indefinitely." All for three dollars.

Meanwhile the editor of "Ladies' Home Journal" of 1912, was putting himself out on a limb with the following words, "A man's mind may be pathetically simple and untrained, but he has never yet been able to make out how a decent woman can make a 'painted lady' of herself. If the woman thinks that the man is deceived she flatters herself. For dense as man may be about the mazes of woman's toilet he is never deceived by the painted face. . . . Rosy cheeks cannot be imitated and he always knows the difference between the real and false. A man is not as easily fooled about some feminine things as intelligent women believe."

"She Bobs Her Hair"

With the audience's permission we will now fade-in to a most appealing pair of youngsters who were taking the world by storm during the early years of the First Great War. They were king and queen of the dance in days when every hotel with pretensions to smartness held a the dancette every afternoon, when boys on the street whistled tunes from "The Chocolate Soldier" and "Pink Lady." They were Vernon and Irene Castle. And not only were they leaders of the dance but Irene was a style leader, too. Women avidly copied not only her divinely simple dance frocks, but the little Buster Brown street suits and the adorable little Dutch cap she always wore when dancing.

Then Irene did the most spectacular thing of all. She cut off her hair.

The act won her columns of newspaper publicity, and debates about bobbed hair raged back and forth across the tea-tables. The less timorous spirits decided in its favor and soon the floor of every barber shop was knee deep in the long tresses of woman's crowning glory. The shadow of the divorce court fell over many families when wives surprised their husbands with the first sight of their shorn heads. And the men sulked and muttered in their beards behind the. Police Gazettes as they waited for a shave and a haircut.

Soon barber-shops began to have separate departments "for ladies" where they could have their hair cut and waved, too. . . . and, incidentally, be out of sight of enraged men customers. Then by almost imperceptible degrees the business of cutting women's hair moved into the beauty parlor—many of the men barbers moving with it.

Then along came the first permanent wave machine. My goodness me, how hopelessly and prayerfully women with short straight locks submitted to the tortures of the damned in order to have a curl that would last in the hair. At first the curls cost about a dollar a piece. Those blessed with thick hair were fortunate if the luxury of a permanent wave didn't set them back forty-five dollars.

Gradually standards began to be introduced into the business—and with them the salon as we know it now came to full flower. The salon of today is a place of almost hospital cleanliness, beautiful surroundings and competent operators who specialize not only in the care and dressing of the hair, complexion care, make-up but, among other things, reliable methods for reducing and training the figure to beautiful proportions.

But here we find ourselves back in 1940—and we need not go further for your name probably is on the appointment book of one of these salons.

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THE BACK PAGE

Cat Trouble

BY AGNES ARMSTRONG

"HAVE you any Cat Bane?" we asked the nice man across the counter.

"I beg your pardon," he said politely.

"Cat Bane," we repeated. "You know, to discourage tom cats from lining up on the verandah and singing. We have three female cats."

"Three?" he queried. "That's a great many."

"Yes and it will be a great many more soon if we don't do something about it. That's why we want Cat Bane."

"I never heard of it, Madame," he said a little stiffly, not prepared to

gone all right. We sprayed the floor, the door and the steps, thoroughly and then came in with satisfaction, put the sprayer in the shed and went upstairs to write letters.

THE family dispersed. Half an hour later coming downstairs a peculiar smell met us. Parsnips? Cabbage? No, it was indescribable and quite revolting. It was an unbearable and nauseating smell—the lion house in the Zoo seemed sweet beside it. It was Doggone seeping under the verandah door. No wonder the moles hated it.

It was no good waiting for a conference. Javel water seemed the answer, and we did a thorough job with Kleenex, until the verandah reeked of chlorine. Then we opened all the windows on the ground floor, and wedged a rug against the bottom of the verandah door to avoid any more fumes. The sprayer we retrieved from the shed, handling it gingerly, and with held breath poured back what was in it into the can, which had looked such a short time ago like salvation.

The can was not quite full, but by then conscience had fled out of the window pursued by the smell of Doggone. The bill was in the garbage can, stained by tea leaves but intact. The sprayer was washed and washed and boiled for an hour in a strong soap solution. An hour later it smelled just the same, so it is in the shed filled with chlorine and it is hoped



—By Bert Busbell.

"PEOPLE WHO LIVE IN GLASS HOUSES,—NAUGHTY, NAUGHTY!"

that time will kill even Doggone. "You see, we want something to discourage cats, and this doesn't mention cats on the can," we said dishonestly to the girl at the exchange desk.

"Oh yes," she said mildly. "Want your money back?"

"Thank you," we said, walking away wondering about that wicked tom with a half a tail, and our beautiful gentle, refined Persian girls.

BALLADE OF A ROLLING STONE

WHAT is the urge that drives me on?

(Cursed, oh cursed be moving day!)

What bedevils me to be gone?

Why am I restless and distraught?

Possibly in the next place I stay

I'll have a neighbor who does not snore—

Does not rise at the break of day!

Make out a list and try once more!

Let me not find an amazon

Given to afternoon negligee—

Lush of bosom and beam and brawn—

Who will answer the bell in disarray.

Stand at the foot of the stair and

bray...

(Is there a radio next door?)

This, ah, this is the first of May—

Make out a list and try once more!

Mourn with me for the time anon

When, in spite of the prayer I pray,

A tap is turned in the chilly dawn

And icy cold is the reveille.

But my landlady's blithe and gay!

(Long, red flannels, my neighbor

swore)—

A clothes line was the exposée!

Make out a list and try once more!

Envoy

There is a flat just over the way

Which I had not observed before—

(Not on your life! It smells, they say.)

Make out a list and try once more!

ISOBEL C. MACLEOD.

over the medieval theory in connection with the verandah. "We have Doggone, though," he added as an afterthought. "Let's see Doggone," we said hopefully.

There was a lot on the can about protecting evergreen trees by applying it with a spray every two weeks.

This did not seem to meet the difficulty.

"It's not the trees," we explained.

"It's the cats."

"Yes Madame, I understand. It does say that it does discourage most animals including moles."

"Well moles don't sing under your bedroom window, but we'll try it," we said.

The price was exorbitant and the can small, but by then pride was at stake and we ignored the money end of the transaction. When we got home the family sat down and read about Doggone.

"It says moles, rodents and rabbits so I expect it will do for cats too, and the verandah is getting awfully smelly. I know it is that grey tom with one eye and half a tail and the kittens will be terrible," said the nine-year-old who knows all.

"We need a sprayer," said someone else. There never are enough

SONG FOR ORCHARDS

WHO would not sing who walks

these flowery paths

Which May has roofed with blowing

pink and white—

Miraculous traceries, that, moving,

print

Green grass with wavering shapes of

shade and light?

The frailest perfume scents these silk-

soft winds—

Pale apple-bloom's breath, fragile as

these small

Thin petals that float, silent, down

the air

To pearl the ground and dot the

orchard wall.

Mile beyond mile of fleeting beauty

fill

All this warm valley with a rapturous

A History of Heroism

BY LUCY VAN GOGH

THE long awaited volume of the Perkins Bull Historical Series, that which is devoted to the history of the growth of the Roman Catholic Church in Upper Canada, has at last appeared. It is entitled "From Macdonell to McGuigan," and is undoubtedly the first history of a portion of the Roman Catholic Church to be written by a high officer of the Orange Order who is at the same time a Doctor of Laws of a Catholic university. It is this circumstance which gives it an importance far exceeding any previous volume in Dr. Bull's series, interesting and valuable as some of these have been.

For the truth is that this volume—which is written with an entire sympathy for its subject, and in the preparation of which the author has enjoyed the assistance of some forty of the clergy of the province, including the Archbishops of Toronto and Kingston—will be read by Protestant Canadians as no corresponding work produced by a member of the Church and issued with its official imprimatur would have a chance of being read. Writers on religious subjects, when dealing with the faith to which they themselves belong, can seldom avoid the use of a certain vocabulary, and of certain ornaments of style, which are more or less private to that faith, and which tend to repel the reader who does not belong to it. There is also a very natural tendency to smooth over with a few agreeable phrases any unpleasant episode revealing the human frailty of believers, and it is therefore improbable

that in a purely ecclesiastical history the great O'Grady controversy of 1832 in Toronto, which is of profound historical importance in connection with the Rebellion, would have received anything like the attention that Dr. Bull has given it. Yet it is one of the most tragic stories amid all the tragedies of those troublous times. Vicar General of York in 1832 and a man of great influence throughout the province, O'Grady fell into a violent quarrel with his Bishop, claiming that his own jurisdiction came from another and superior source; in 1833 he was "silenced" as a priest, and for several years carried on his fight through his newspaper, the *Correspondent and Advocate*; at his death in 1840 the verdict of the coroner's jury was "Died by the visitation of God," and he was buried without the rites of the Church, in an unknown grave, probably near the Quaker cemetery at Pickering.

FEW Protestants, we imagine, are aware that from the date of the Reformation in England to the year 1826 no new Catholic diocese was created in any British dominion. In that year the Diocese of Regiopolis was created with headquarters at Kingston, Ont.; and if we may draw some conclusions from a report written a year earlier by Alexander Macdonell, who became the first Bishop, the reason why this was permitted was that the British Government was quarrelling with the Bishop of Quebec and was prepared to view with

a favorable eye anything which would tend to restrain his authority and jurisdiction. It is impossible not to be amazed at the loyalty shown throughout this period, and particularly in the Rebellion years a short time later, by the great majority of the Catholics of Canada to the civil power which both in the old land and in the new colony had imposed such severe disabilities upon them.

Dr. Bull does not comment very much upon the enormous mass of facts relating to early Catholic settlement and organization which he has here assembled, contenting himself usually with setting them down as a matter of human interest. But the reader can hardly fail to notice the difficulties which arose from the fact that the great mass of the early believers in Upper Canada came from Ireland, and brought with them at first scarcely any individuals of a cultural level suitable for the higher positions in the clergy. These at first were mainly filled by Highland Scottish aristocrats, men of the most admirable character and culture, but coming from an entirely different type of community from that of the emigrant Irish.

IT IS possible to imagine a better organized history than Dr. Bull's, which occasionally resembles a collection of reminiscences strung together by little more than a common subject. But the scattered nature of its information is partly compensated for by a very generous index, so that, for example, anyone desiring to learn



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all that is known of Bishop Michael Power, first Roman Catholic Bishop of Toronto, has only to look up the eight different passages in the volume in which he is referred to. There is a very valuable collection of names and records concerning the older Catholic cemeteries of Peel County, and the volume is, like the rest of the series, lavishly illustrated and contains very full lists of the priests and religious who were born or worked in that county.

TRAVELERS

Mrs. F. W. R. Angus has left Montreal to join her husband, Lieutenant F. W. R. Angus, R.C.N.V.R., in Halifax, where they will reside at the Lord Nelson Hotel.

Mrs. John Law and her daughter, Miss Peggy Law, who have been living in France for the past two years, have

returned to Ottawa and are occupying their house in Rockcliffe.

Mr. R. K. Bearisto has returned to Winnipeg after spending several weeks on the Pacific Coast.

Mr. and Mrs. Miller Lash have returned to Toronto from Mexico.

Colonel and Mrs. Gerald W. Birks have returned to Montreal from their cottage, "Coastguard," Nassau, The Bahamas, where they spent Christmas.

Mrs. James H. R. Cromwell, who is spending a few weeks at her home in Somerville, N.J., will return to Ottawa the second week in April.

Miss Prudence Dawes has returned to Montreal from Sun Valley, Idaho, where she spent a month.

Mr. and Mrs. Garnet Strong, Mr. and Mrs. J. Ogilvie Hastings and Mr. and Mrs. Blair Gordon, of Montreal, have been spending a few weeks at The Cloister, Sea Island, Georgia.

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sprayers in the house to deal with all the different colds which everyone persists in having. A couple of community ones get their ends held under the hot water tap in a sort of feeble effort at sterilization. It seemed terrible to sacrifice one of these, but worse to increase the investment in cat discouragement.

"Get the oldest one with the loose bulb," we directed.

We filled it over the kitchen sink, screwed it up tight and went out onto the verandah with determination to discourage all live stock. The cocker spaniel came out too but went away at the first whiff. It was Dog-